

# SHS-REPORT

Edition May 2004

## Editorial



Dear Readers,

You are receiving our newsletter as usual. To enable also our international business partners to have a look to our current activities, we have provided the newsletter for the first time also in an English edition.

So, in the next few lines we would like to describe both positive and negative developments in our portfolio companies.

**Dr. Bernhard Schirmers**  
Managing Director

## LipoNova: Successful Vaccination against Kidney Cancer

SHS invested in LipoNova GmbH in 2003. LipoNova has successfully focused on a particular niche in the development of medicines and has come up with a medicine for patients suffering from kidney cancer.

This therapy involves a so-called "tumor vaccine" – a medicine that fights a regeneration of metastasis or a relapse of the disease from the inside-out by stimulating the patient's own immune system.

This treatment is very effective and has almost no side effects. This means a fundamental advancement for patients of kidney cancer, for whom there is at present no immune-strengthening treatment available. Until now the only option has been to wait and see if there is a relapse of the disease after a successful operation.

As one of the very few biotech enterprises in Germany and Europe, LipoNova has product

with a successfully completed phase-III clinical study.

In December 2003, LipoNova applied for an approval from Europe's drug approval authorities. At the same time it negotiated license and marketing rights with pharmaceutical companies. SHS supported and participated in this process.

In February 2004, STADA joined LipoNova as a strategic partner.

[www.LipoNova.de](http://www.LipoNova.de)



## Novosis: Further Investments to Increase Capacity, US Subsidiary Founded



Novosis Inc. performed better than expected in 2003. Especially pleasing is that the major part of the development projects went through the clinical trials successfully and the first applications for approval have either already been, or will soon be, submitted.

This is why the number of inquiries and offers for the development of

pharmacognostic applications has remarkably increased.

Additionally, more and more big US pharmaceutical companies are getting in touch with Novosis. In order to secure and strengthen this trend, Novosis now has founded a subsidiary, Novosis Inc. based in Boston, to support the business development activities.

SHS co-sponsored the founding of the subsidiary firm, and has supported the process with its business network.

The clinical project is already advancing successfully, so that the present production capacity of

40 million plasters has to be extended foreseeable.

After the first successful release of the drug implant, Novosis is going to invest another 4 million Euros in order to increase the capacity to over 180 million plaster-agents.

The fund "Technologie-Beteiligungsfonds Bayern II" and SHS are supporting these developments of Novosis with further equity financing.

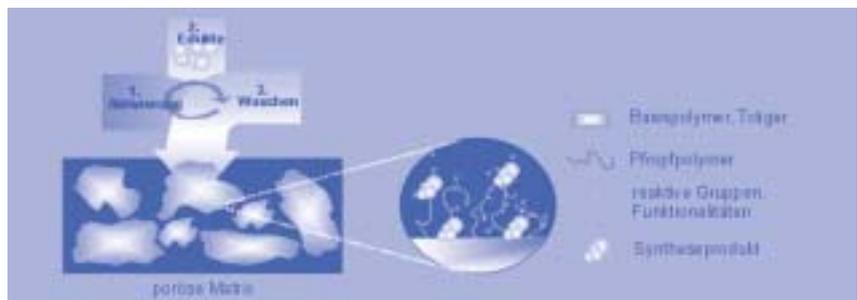
[www.novosis.com](http://www.novosis.com)

## Poly-An: Further Financing Round and First Industrial Contracts

The Berlin based Poly-An Ltd., which specializes in molecular surface engineering, successfully placed a follow-up round of financing in two steps in summer 2003. Orthmann AG and private investors participated alongside SHS in this endeavor.

With this financing, Poly-An wants to promote the industrial application of the product pipeline from the business areas of separation, reaction and rejection/repulsion.

A first contract has been concluded with Greiner BioOne, a subsidiary enterprise of the Greiner Group that has a turnover of about



150 million Euros and 1.000 employees worldwide. Poly-An will be functionalizing the biochips of Greiner. 2004 will thus be characterized by the conversion of the production line for mass production and the transition from a development to a production enterprise.

SHS is supporting Poly-An in business development and commercialization.

[www.poly-an.de](http://www.poly-an.de)

## KVT Kiefer Vergaser Technologie: Successful New Positioning

Within the scope of the special responsibilities of the former SHS partnership with Kiefer Energie-systeme Ltd. (KES), the division of KES and the founding of Kiefer Vergaser Technologie (KVT) in Leipzig/Holzhausen have been initiated by SHS.

SHS has taken over all of the shares of KVT. The company has established itself in a short

amount of time as a successful niche supplier in power plant and furnace technologies.

A turnover of 1.1 million Euros and a positive annual result was already achieved in the first operative business year 2002. A further increase in turnover to 2.4 million Euros has been realized in 2003. The company successfully improved the efficiency of important

plant components on behalf of the Lurgi-Lentjes Group in the brown coal power plant Nicola Tesla (Serbia).

In the course of the new positioning, SHS took over the commercial management in May 2003 and an experienced branch manager was appointed for marketing and sales.

[www.kvt-mifeu.de](http://www.kvt-mifeu.de)

## Snom: Access to the Dynamic Asian Market Secured

An attractive, rapidly growing market for VOIP products (Voice over Internet Protocol: Internet-Phoning) is developing in Asia. This is why the strategic investor Bell Net Corporation, Tokyo, which is a leading Japanese systems integrator, signed a capital increase with another 2 million Euros.

For Snom, cooperation with BNC means access to the market in

Asia and a chance to quickly upgrade the channels of distribution.

The worldwide market growth of VOIP is nonetheless driven and led by the US-market, where a significant growth has been perceptible in recent months.

Especially for this market, Snom has developed a new product line for the business sector. Along

with the already accepted high quality of this line, it has also been enhanced by features typically required by telephone users in the US.

SHS is bringing forward these developments via the chair of the supervisory board.

[www.snom.com](http://www.snom.com)

## Affimed Therapeutics AG:

Affimed has been able to acquire a BioChance-Plus sponsorship for its project on "Human Tandem Antibodies for the Treatment of Minimum Residual Ailment from Breast/Colorectal Tumors". A pharmaceutical partner wants to participate in this project and to go ahead with the clinical development.

SHS is supporting Affimed with the negotiations.

[www.affimed.com](http://www.affimed.com)

## IDM: Development Collaboration with Vehicle Manufacturer

IDM GmbH has, on the basis of its infrared technology, succeeded in engaging in developmental cooperation with a large vehicle manufacturer. A vehicle supplier is being sought as a strategic partner in order to ensure the suitability of the serial production as well as the production capacity of the planned new product. In this intensive process, IDM is relying on SHS for support and structuring.

Along with the introduction of this technology to the automobile sec-

tor, IDM addresses a wider market. IDM is supplying sensor technology to the soon to be inaugurated Austrian highway toll system. Unfortunately, IDM lost an equivalent contract for the toll collect system in summer 2003.

The contract for the development of a sensor for an agricultural engineering enterprise for the controlling of equipment along edges of the swath angles is also noteworthy.

[www.idm-sensoren.de](http://www.idm-sensoren.de)

## Write-offs

We have also undertaken write-offs in 2003.

**EISU**, a company with a focus on ion-exchange on a cellulose base through water treatment had to be declared insolvent. The demand in the sewage area did not grow as planned. In addition, the projects for the marketing of approved filters in the drinking water sector have not been successful to the extent that was expected.

**Wescho**, a company that sets up furniture and equipment for bakeries, recorded a substantial drop in demand in the first half of 2003. SHS, as the majority shareholder, anyhow saw a good opportunity to pursue reorganization. However, when an outside financial commitment was withdrawn, SHS likewise decided to discontinue further financing.

## Internal Matters

### SHS Investment strategy 2004:

SHS Fonds is planning further involvement in the domain of venture capital and growth/reorganization respectively for the business year 2004 in Germany. In the domain of venture capital, SHS is seeking partnerships in the areas of life science, optics and the chemical industry, which have successfully entered into the market.

In the areas of growth/reorganization, SHS is investing primarily in industrial enterprises which, on the basis of special situations (Basel II, temporary problems in profitability, strong growth), have a heightened need for capital or assets.

## New Colleague:



Carolin Wiede is a new management assistant in our office in Tübingen since March 1st, 2004. Along with office management, she is also responsible for our corporate identity. Carolin is joining us from Unilog Integrata Inc., where she worked as an assistant to the board of directors and in recent years as a marketing consultant.



## New Logo:

May makes everything new! Along this line, we have decided on a new logo after more than 10 years. This logo has been reduced to the mnemonic "SHS" – the trade name – under which we have been known for years. The color configuration preserves the continuity of our previous logo.

We hope that our new symbol reflects the sincerity and integrity of SHS with which we have been operating our business for over 10 years.

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