

November 2015



## Specialised in Growth

### Ladies and gentlemen,

Our guest author Benjamin Heimlich, Chief Editor of VentureCapital Magazin, provides insight into the most recent fundraising success stories in the growth capital sector as well as the associated responsibilities for fund managers.

In the third quarter, SHS IV acquired shares of nnd Medizintechnik AG in a secondary transaction. The rapidly growing medium-size Swiss company is well positioned in the booming market for pulmonary diagnostics. By the end of the year, we aim to complete further transactions in the form of full acquisitions or growth financing.

In our asset portfolio, the innovative drug delivery system specialist AMW GmbH has achieved an important milestone by receiving approval for its Alzheimer's drug patch. With this and other pipeline products, the company is addressing a high-yield market with a volume of several billion euros.

On a personal note: SHS is looking for a senior investment manager to complement and strengthen its team. Maybe you know a suitable candidate? For further information please refer to "Career – Jobs at SHS".

Read more about these and other topics in this edition of our newsletter. We hope you enjoy reading and look forward to your feedback.

Greetings from Tübingen



Hubertus Leonhardt

### Topics

[Fundraising success: no reason to twiddle your thumbs](#)

[SHS invests in up-and-coming Swiss company nnd Medizintechnik](#)

[Specialist pharmaceuticals company AMW receives approval for Alzheimer's patch](#)

[More capital for innovative new therapies for respiratory diseases](#)

[Miracor Medical Systems increases international commercial activities](#)

[Venture Lounge: practical advice for startups from SHS and other specialists](#)

[Personnel growth and new paths](#)

[Jobs at SHS](#)

[Jobs at SHS portfolio companies](#)

[Selected press articles](#)



**ARTICLES**

**Fundraising success: no reason to twiddle your thumbs**

Investment funds in the DACH region have collected almost 14.5 billion euros in the past 21 months. Approximately 1.34 billion euros of this was accounted for by venture capital funds. One positive aspect of this is that a growing number of venture capital companies are succeeding in making triple-digit million euro investments. Can the industry pat itself on the back and prepare for a golden age? Yes and no.

Certainly the fact that even institutional investors are opening up to an asset class, which they had previously largely avoided, is not solely due to the continuing low interest rates and the associated pressure to invest. Rather, fund managers are currently reaping the fruits of their labor in recent years. After all, those who enter a fundraising campaign with a reasonable track record have a much better chance of attracting capital. At the same time, allocations are coupled with the expectation that the successful work will continue in the future. And this is where it gets challenging.

There is still a clear lack of capital in Germany for financing rounds ranging from 5 to 15 million euros - the much talked about series-A crunch. Larger fund volumes are now providing an opportunity to close this gap a bit. Foreign venture capital companies are also showing an increased interest in German start-ups (not least due to the moderate assessments in this country, especially as compared to the USA) and there is an increasing amount of public sector financing in this area as seen in the newly created Wachstumsfonds Bayern (Bavarian Growth Fund) or the 500-million-euro growth fund announced by the federal government.



It will only be possible to tell in a few years with certainty whether this gap can be bridged and whether an increased number of innovative German start-ups can be developed into global players. The venture capital scene in Germany will not simply be able to sit back and enjoy what it has achieved. Just like their portfolio companies, they have made a promise for the future. If it is not kept, then the confidence of institutional investors in this asset class is likely to rapidly decline again. This scenario has to be avoided.

Benjamin Heimlich is Chief Editor of VentureCapital Magazin. His reporting ranges from seed financing and start-ups to later-stage investments, buyouts and investment topics. Benjamin has been writing for VentureCapital Magazin since August 2012, having previously completed his editorial department training at Müller Medien in Nuremberg.

*Benjamin Heimlich, Chief Editor of VentureCapital Magazin*

**ARTICLES**

**SHS invests in up-and-coming Swiss company nnd Medizintechnik**

Using the devices developed by nnd Medizintechnik, physicians can precisely diagnose respiratory diseases like asthma or chronic obstructive pulmonary disease (COPD, otherwise known as "smoker's lung"). The devices are characterized by their accuracy and ease of use. The company's customers primarily include general practitioners/primary care physicians, lung specialists and clinics. The company has offices in Zurich and Andover (USA) and sees strong growth potential for its company in the United States, China and India. Its portable "EasyOne Pro" breath measurement system

**KEY FACTS**

**Year established:** 1996

**Business purpose:** development, production, and distribution of diagnostic products for respiratory diseases, primarily including COPD and asthma

**Products:** Spirometer (EasyOne/EasyOne Air), various devices for lung function testing (EasyOne Pro/EasyOne Pro Lab; Easy on PC)

**Locations:** Zurich (CH) and Andover (USA)



has already been introduced to the market in India and is being successfully implemented in pharmaceutical trials as well as large hospital chains.

*EasyOne Pro LAB*

## Specialist pharmaceuticals company AMW receives approval for Alzheimer's patch

### KEY FACTS

**Year established:** 2004

**Business purpose:** development, production and marketing / out-licensing of specialty pharmaceuticals (drug delivery systems)

**Products:** transdermal systems (drug patches) and active implants for medical applications in oncology, neurology, psychiatry and endocrinology

**Location:** Warrgau (D)

It begins with mild memory loss and disorientation, but Alzheimer's disease eventually changes the patient's entire personality. So far there is no cure for this progressive and degenerative brain disorder, but the process can be delayed. AMW GmbH has found a way to administer the necessary drug using a patch.

The company has now received international approval for this Alzheimer's patch. AMW can therefore introduce the patch, which continually releases the drug Rivastigmine through the skin over the course of 24 hours, to the market in Germany and other countries. Rivastigmine inhibits the degradation of acetylcholine, the lack of which is characteristic of Alzheimer's disease. In contrast to oral administration of the drug, transdermal administration reduces the number of times

that the drug has to be administered and thus significantly increases the chances that patients will receive it regularly.

AMW is currently in negotiations with partners with regard to international marketing of the patch.



*AMW's drug patch*

## More capital for innovative new therapies for respiratory diseases

The number of patients with respiratory diseases, and with COPD in particular, is on the rise around the world according to expert forecasts. Patients are generally averse to today's "gold standard" for the treatment, which consists of closed nose or face masks. This is where TNI medical comes in with its TNI softFlow product. It uses a thin nasal cannula to supply patients with a constant flow of warm, humid air, which can also be enriched with oxygen if needed. The innovative product provides more comfort than the traditional mask therapy and has shown very good clinical results. TNI softFlow can also be used at home after a hospital stay.

The funds from the new financing round will be used to promote TNI softFlow's market introduction both domestically and abroad. The investment will be

### KEY FACTS

**Year established:** 2007

**Business purpose:** development, production and distribution of diagnostic and therapeutic devices for breathing support for home-care and clinical use

**Products:** TNI 20 oxy and TNI softFlow 50 home respirators, TNI 20x oxy and TNI softFlow 50 clinical respirators

**Location:** Würzburg (D)



used specifically to conduct clinical trials and obtain international approvals. Initial clinical trials indicate higher survival rates in the treatment of patients with acute respiratory diseases.

*TNI softFlow 50*

## Miracor Medical Systems increases international commercial activities

### KEY FACTS

**Year established:** 2008

**Business purpose:** development and distribution of a therapy that reduces damage to the heart muscle following an infarct or congestive heart failure

**Products:** PiCSO Impulse System consisting of an impulse catheter and impulse console, which automatically controls the impulse catheter

**Location:** Vienna (A) and Manchester (UK)

Miracor announced the launch of its PiCSO<sup>AMI</sup> Impulse System in the Middle East and Italy.

The first patients have been treated in Italy by Prof. Dr. Antonio Colombo, Director of Cardiovascular Interventions at the San Raffaele Hospital in Milan. Miracor is partnering with Endotech S.p.A., a market leader in the distribution of highly innovative technologies for the treatment of cardiovascular diseases in Italy.

In the Middle East, Miracor has entered a distribution agreement with Medical Technology Est., an experienced distributor of medical devices in the region, to commercialize the PiCSOAMI Impulse System in the United Arab Emirates, the Kingdom of Saudi Arabia, Kuwait and Oman. The first patients have already been successfully treated

in the UAE by Dr. Arif Al Nooryani, CEO and Head of the Cardiac Center at the Al Qassimi Hospital in Sharjah.

At this year's TCT conference in San Francisco, Miracor held an official scientific symposium on the clinical use of PiCSO with presentations by Gregg W. Stone (Columbia University Medical Center / New York-Presbyterian Hospital), Adrian P. Banning (John Radcliffe Hospital, Oxford), and Azfar G. Zaman (Freeman Hospital, Newcastle upon Tyne).



*Prof. Dr. A. Colombo during a PiCSO procedure at the San Raffaele Hospital in Milan, Italy*

## INSIDE SHS

### Venture Lounge: practical advice for startups from SHS and other specialists

Dr. André Zimmermann, Partner at SHS, shared his knowledge of the industry with startup companies at the Venture Lounge. Other experts from companies in this industry including Paul Hartmann AG and Aesculap/B. Braun also took part in the event. The rapidly changing environment in the areas of domestic and international regulatory and reimbursement policy, for example, will pose an increasing number of challenges especially for small and medium-sized companies. Companies need to prepare themselves for these challenges from the outset in terms of content and financing. As an investor specialized in medical technology, SHS supports these companies with capital, expertise and a broad network.



*Dr. Zimmermann with the winning teams as well as medical technology manager of Aesculap/B.Braun and Paul Hartmann AG*

## Personnel growth and new paths

Mandy Winkler joined our back office team in June 2015, in which she is responsible for secretarial and accounting tasks. She is a trained automobile sales management assistant and previously held positions in sales at several service companies.

Patrick Lüders is taking on a pioneering role as the first trainee in the over 20-year history of SHS. He began his office management training in September. He previously worked for a year in an institution for the disabled as part of the federal voluntary service program.



*New at SHS Mandy Miller and Patrick Lüders*

## CAREER

### Jobs at SHS

#### Investment Manager

We are seeking investment managers to help us make investments, support those investments and ensure a successful exit. You should have at least two years of experience in the venture capital or private equity sector or in a comparable position in an M&A company, a business development or licensing department of a large company group, or in the area of corporate finance. [Find out more >>](#)

#### Accounting/controlling team member

Have you completed training with professional experience in accounting/taxes or have you studied business administration? Among other things, your tasks will include preparation of accounting for month-end closing / business assessment, payment transactions, budget and liquidity planning and deadline management. Part-time and full-time positions are both possible. [Find out more >>](#)

#### Managing Director / MBI candidate (m/f) for medical technology, succession solution

We are regularly seeking executives who would like to become a business owner with us and significantly increase the performance of companies. Together we develop a corporate vision and strategy, which you then implement in operation with our support. [Find out more >>](#)

#### Internships for students

Are you studying business, economics or engineering? We offer you the opportunity to apply your previously acquired knowledge in an experienced team of SHS professionals. You stand to benefit from a project-oriented, friendly working environment, a flat hierarchy and the diverse employment opportunities offered by SHS throughout the entire investment activity cycle. [Find out more >>](#)

### Jobs at SHS portfolio companies

#### Business Development Manager (m/f) with perspective to become managing director

AMW GmbH is an innovative specialty pharmaceuticals company based near Munich, which specializes in transdermal passive or active microchip-controlled drug delivery systems and biodegradable subcutaneous implants. The development chain includes both technical and clinical development as well as clinical approval. In order to accelerate growth and further strengthen its executive team, AMW is seeking a Business Development Manager starting as soon as possible, who will then have the opportunity to become Managing Director of AMW GmbH and/or a subsidiary once they have proven themselves suitable for this role. [Find out more >>](#)

## **CEO (m/f)**

The molecular diagnostics specialist GNA Biosolutions in Martinsried near Munich is seeking a CEO to develop and implement strategies in the areas of product development, sales and market entry. The company develops instruments and assays for the ultra-rapid detection of pathogens based on the company's own laser PCR technology. [Find out more >>](#)

## **Head of R&D (m/f)**

TNI medical AG develops, produces and sells diagnostic and treatment devices in the area of respiratory support for home and clinical use. The company is seeking a Head of R&D with several years of experience as a development engineer. [Find out more >>](#)

## **Managing Director (m/f) of medical technology with a focus on production, R&D, regulatory and quality management in Hamburg**

We offer you an environment, in which you can achieve your entrepreneurial ambitions. Together with the Managing Director of sales and the management team, you will develop a strategy for the company, which you can then implement in a highly independent way, without the restrictions of complex corporate structures. In addition to this, we offer entrepreneurial profit from an increase in value. [Find out more >>](#)

## **Managing Director (m/f) of cardiology with a focus on clinical development and US market launch**

You should have many years of experience as a managing director or in the second row and want to take the next step. Experience in the area of cardiology with clinical trials, in dealing with KOL and with FDA approvals is required. You should speak fluent English and have a good network of contacts in hospitals and within the medical technology industry. [Find out more >>](#)

## SHS IN DER PRESSE

### **Selected press from June 2015 to present**

**We have compiled a selection of relevant articles about us and our portfolio companies here.**

**Börsen-Zeitung, September 25, 2015: "Medizintechnik weckt Interesse" (medical technology arouses interest)**  
SHS has entered the medium-sized investment segment with its new fourth fund, for which it attracted 125 million euro. SHS is seeking to also invest in established small and medium-sized companies in the future. [Find out more >>](#)

**Gränzbote, September 17, 2015: "Regulationen kosten Firmen richtig Geld" (regulations cost companies a lot of)**  
Prior to the 7th Tuttlingen MedTech forum, SHS partner Uwe Steinbacher spoke with Gränzbote about the increasing amount of regulations and bureaucracy in the medical technology sector. Companies have to become more professional and invest more money in documentation. [Find out more >>](#)

**mergermarket, June 24, 2015: "SHS acquires NOVO Klinik-Service ..."**

With its fourth fund, SHS has acquired all shares of Novo Klinik-Service GmbH. As part of its growth strategy, sales should double within three to five years - as reported by the industry service mergermarket. [Find out more >>](#)

**Investment focus:**

<b>Sector:</b>	life sciences (medical technology, diagnostics, applied technologies, industrial biotechnology/pharmaceutical industry; no drug development)
<b>Geographical Focus:</b>	Germany, Austria, Switzerland
<b>Reasons for investment:</b>	growth capital, strengthening equity, MBO/MBI, change of shareholders/succession, M&A financing, spin-off
<b>Company situation:</b>	growth/expansion, succession/company sale, internationalization; operating profit may be negative for growth, or for technology-related reasons
<b>Transaction value and Investment size:</b>	transaction value: up to € 100 mn; investment amount SHS IV: € 2-20 mn, with a co-investor from the SHS-network up to € 50 mn
<b>Investment types:</b>	majorities or minorities, equity & financial instruments similar to equity