

March 2016



Specialised in Growth

Ladies and gentlemen,



The location of Germany has enormous innovative strength, but it is often lacking growth capital when compared with other countries around the globe. It's therefore all the more important that the public perceives the positive effects of growth capital. The

mid-term review of the first two years of the grand coalition government published by the German Private Equity and Venture Capital Association BVK, which we are part of supporting, addresses this issue and is presented here by our guest author and BVK's Deputy Managing Director, Christoph Stresing.

Regulatory framework conditions with regard to the sterilization and packaging of medical devices present one of the biggest challenges for the medical technology industry. With our investment in puracon, we recently acquired one of the leading German providers in this area. In the fast-growing field of cardiovascular diseases, we've invested in SIS Medical AG. Our investment should serve to further drive the approval processes for and sales of the high-performance products in the United States and Japan.

We have particularly interesting news pertaining to our portfolio companies phenox and AMW.

I hope you enjoy reading. Yours sincerely,



Hubertus Leonhardt

Topics

[BVK mid-term review - two years of the great coalition government](#)

[AMW receives approval for goserelin acetate implants](#)

[phenox expands its capacity and opens site in Ireland](#)

[AOT wins the CTI Swiss Medtech Award 2015](#)

[Life science meets venture capital](#)

[New employee](#)

[Jobs at SHS](#)

[Jobs at SHS portfolio companies](#)

[Selected press articles](#)



ARTICLES

Two years of the grand coalition: mid-term review and challenges from the perspective of growth capital investors

Improving the framework conditions for growth capital has become a standard political demand. Our BVK Halbzeitbilanz – Zwei Jahre Große Koalition (BVK mid-term review – two years of the grand coalition), which we published with the support of SHS, focuses on the measures implemented by the German government in the current legislative period. It also provides a forecast of what is yet to come before the Bundestag election in the autumn of 2017.

- With the announcement to extend the INVEST subsidy, the return of KfW as an anchor investor for VC funds and the Deutsche Börse Venture Network, some important measures have been initiated.
- Nonetheless, the Federal Government's "venture capital key issues paper" is far behind the self-defined goals.
- The grand coalition has thus far not managed to implement the planned venture capital act.
- The planned investment tax reform threatens to burden investors with capital gains taxes on free-float shares (Article 8b of the German Corporation Tax Act KStG), which would harm Germany as a location of innovation.



Second half of the legislative period requires great vigilance, as measures that weaken Germany have to be avoided. Our economy should not fall further behind as compared to innovation sites around the world. Our economy's level of innovation is a fundamental pillar with regard to ensuring future prosperity.

You can download BVK's full mid-term review [here](#).

Christoph J. Stresing, Deputy Managing Director at BVK

PORTFOLIO COMPANIES NEWS

Specialty pharmaceuticals company AMW receives approval for its goserelin acetate implants

KEY FACTS

Year established: 2004

Business purpose: Development, production and marketing / out-licensing of speciality pharmaceuticals

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

Location: Warngau

Goserelin acetate prevents the formation of the sex hormones testosterone and estradiol. The drug is therefore used among other things for the treatment of prostate cancer, breast cancer and endometriosis. AMW administers the drug using biodegradable implants. These consist of very thin 10 to 20 mm long and 1 to 2 mm wide polymer threads, which the physician places under the skin using an applicator. After the threads have released the drug for a certain period of time, they dissolve by themselves. AMW has developed two implants for the administration of goserelin acetate; one is effective for one month and the other for three. In addition to the original manufacturer, AMW is the first and thus far only company to receive approval for both dosages of this important drug.



Biodegradable implant made by AMW GmbH

phenox expands capacity and invests in new site in Ireland

The medical technology company phenox GmbH has expanded its headquarters in Bochum, Germany by 1000 square meters for a total surface area of 2500 square meters. In addition to this, phenox has established a subsidiary in Galway, Ireland. The new site already started operation in January 2016 and, in the medium term, up to 65 jobs will be created here. "The Galway site represents a crucial step in phenox's growth strategy with a focus on serving the U.S. and Chinese markets," said phenox founder and CEO Dr. Hermann Monstadt at the press conference with Irish Employment Minister, Richard Bruton.



phenox produces endovascular devices, which are implanted by vascular specialists to treat ischemic and hemorrhagic strokes.

KEY FACTS

Year established: 2005

Business purpose: Development, production and distribution of instruments for treatment of acute ischemic strokes, and implants for hemorrhagic strokes/aneurysms

Products: pREset (mechanical thrombectomy system); p64 Flow Modulation Device (treatment of complex intracranial aneurysms and dissections); pCONus implant (treatment of complex intracranial bifurcation aneurysms); LIR aspiration catheter

Locations: Bochum and Galway, Ireland

The new phenox site at the Ballybrit Business Park in Galway

AOT wins the CTI Swiss Medtech Award 2015

KEY FACTS

Year established: 2012

Business purpose: Development, production and marketing of computer assisted laser systems for bone surgery

Products: CARLO (Computer Assisted, Robot-guided Laser Osteotome) surgery system

Location: Basel, CH

The SHS portfolio company AOT AG has won the prestigious CTI Swiss Medtech Award 2015. The spin-off of the University of Basel and the university hospital received the award for its system, in which a robot uses a laser beam to cut through the bone precisely and without contact under a surgeon's supervision.

Upon completion of its preclinical studies, AOT (Advanced Osteotomy Tools) will be beginning the clinical development and regulatory approval processes for its CARLO (Cold Ablation Robot-guided Laser Osteotome) system. To accomplish this, the company has strengthened its management team to include Cyrill Bäscher as its new COO and Joerg Arnoldi as

Head of Regulatory and Clinical Affairs. Both of them want to make their contribution to implementing a ground-breaking surgical innovation following successful careers in the medical technology industry.



AOT at the Swiss Innovation Forum 2015

INSIDE SHS

Event: "Life science meets venture capital"



An increasing number of young and innovative medical technology companies that depend on capital are being established in the Aachen region based on intertwining medical and engineering know-how. Aachen's Chamber of Industry and Commerce therefore organized the event "Life science meets venture capital" for the first time in October 2015. As part of a panel discussion, Senior Investment Manager at SHS, Manfred Ulmer-Weber, provided the companies with tips for attracting investors.

Ulmer-Weber (third from right) at the "Life science meets venture capital" event at the Aachen Chamber of Industry and Commerce

Michael Franz joins SHS team

Starting in January 2016, Michael Franz is part of our back office team in the area of controlling and accounting. The trained tax professional was previously responsible for customer support at a financial services provider.



New to the team: Michael Franz

CAREER

Jobs at SHS

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

We are regularly seeking executives who would like to become entrepreneurs with us and drive the performance of companies. Together we develop a corporate vision and strategy, which you then put into action 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 as part of an experienced team of SHS professionals. You will benefit from a project-oriented, flexible working atmosphere, a flat hierarchy and diverse employment opportunities offered by SHS throughout the entire investment activity cycle. [Find out more >>](#)

Jobs at SHS portfolio companies

TRI – International Sales Manager (m/f)

You have at least three to five years of experience in international sales management and would like to take the next step at a rapidly growing Swiss quality supplier in the area of modern implantology. [Find out more >>](#)

VP Sales & Marketing Global Member of the Board in Switzerland (m/f)

You have many years of experience as a leader in an international marketing/sales environment, in the setup and development of national and international sales structures in the medical technology sector and you possess medical knowledge in the cardiovascular area. [Find out more >>](#)

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 >>](#)

Strategic Sales Manager (f/m)

You have at least three to five years of experience in managing international distribution channels and would like to take the next step at a rapidly growing Swiss MedTech company with market leading products. [Find out more >>](#)

PRESS REVIEW

Selected press starting in November 2015

A selection of relevant articles about us and our portfolio companies:

Börsen Zeitung, January 30th 2016: "Beteiligungsfirma SHS hat ein IPO im Köcher" (Investment firm SHS has an IPO in the works)

Hubertus Leonhardt spoke with Börsen Zeitung about the conditions for a successful medical technology IPO. Several SHS portfolio companies are ready for the stock market and an IPO is already being prepared for one company. [Find out more >>](#)

Südwestrundfunk SWR2, January 2016

In the SWR interview, Hubertus Leonhardt and Dr. André Zimmermann explain how SHS can support young, innovative companies, and what they have to do to meet the requirements to be considered for investment by SHS. [Find out more >>](#)

Unquote, December 4th, 2015: "SHS acquires SIS-Schwager Group"

SHS invests in the Swiss SIS-Schwager Group. The medical technology company plans international growth and entry into new markets. [Find out more >>](#)

Investment focus:

Sector:	life sciences (medical technology, diagnostics, applied technologies, industrial biotechnology/pharmaceutical industry; no drug development)
Geographical Focus:	Germany, Austria, Switzerland
Reasons for investment:	growth capital, strengthening equity, MBO/MBI, change of shareholders/succession, M&A financing, spin-off
Company situation:	growth/expansion, succession/company sale, internationalization; operating profit may be negative for growth, or for technology-related reasons
Transaction value and Investment size:	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
Investment types:	majorities or minorities, equity & financial instruments similar to equity