

Covagen Secures CHF 42 Million in Series B Financing

Gimv leads Financing in One of Europe's Largest Private Rounds for a Preclinical-Stage Biotech

Proceeds to Support Clinical Development of Lead Bispecific FynomAb COVA322 Through Phase 2

ZURICH-SCHLIEREN, Switzerland, Dec. 9, 2013 – Covagen today announced that the company has secured CHF 42 million in a tranching Series B financing with an option to obtain an additional CHF 14 million that would increase the total amount of the financing round to CHF 56 million. This is one of the largest private financing rounds for a preclinical-stage biotech company in Europe.

This financing will mainly support the clinical development of Covagen's lead FynomAb[®] COVA322, the first clinical candidate generated using Covagen's proprietary FynomAb platform technology. This bispecific TNF/IL-17A inhibitor for the treatment of rheumatoid arthritis, psoriatic arthritis and other inflammatory diseases has a novel mechanism of action not accessible with monoclonal antibodies. COVA322 is expected to enter clinical trials in early 2014.

In addition, the proceeds from the Series B financing will further advance Covagen's diverse discovery programs in oncology. Current research is focused on the generation of bi- and trispecific FynomAb drug candidates with tailored architectures and novel modes-of-action in the fields of CD3 therapeutics, immunomodulation and bispecific antibody-drug conjugates (ADCs).

The financing is led by new investor Gimv with CHF 8.3 million and includes the participation of new investor Ascent Biomedical Ventures and existing investors Novartis Venture Fund, Edmond de Rothschild Investment Partners, Seroba Kernel Life Sciences, Ventech and MP Healthcare Venture Management, Inc.

In conjunction with the financing, Dr. Karl Naegler, Partner Health & Care at Gimv, and Avi Kometz, M.D., partner at Ascent Biomedical Ventures, have joined the board of directors.

"Gimv is delighted to lead this round of financing as we believe that Covagen's capabilities and Fynomer[®] technology will enable the development of differentiated bispecific therapeutics, FynomAbs, with novel modes-of-action and enhanced efficacy," said Dr. Karl Naegler, partner at Gimv. "Over the past years, Gimv has developed a strong expertise and network in the biotech sector and specifically in the area of next generation biologics. Our Health & Care team clearly sees the strong market potential for FynomAbs in many different indications, which we expect will be realized through Covagen's own pipeline development as well as collaborations with biotech and pharmaceutical companies."

Julian Bertschinger, Ph.D., chief executive officer of Covagen, added, "Securing this major investment demonstrates the enthusiasm of our investors and their confidence in Covagen's FynomAb platform. This financing will allow us to advance our lead product, COVA322, through proof-of-concept studies and support our collaborative relationships. We also would like to welcome Karl and Avi to our board of directors."

Previously, the company had raised a total of CHF 14 million.

About Covagen

Covagen develops bispecific FynomAbs by fusing its human Fynomer binding proteins to antibodies resulting in therapeutics with novel modes-of-action and enhanced efficacy in the treatment of inflammatory diseases and cancer. Fynomers are small binding proteins that can be engineered to bind an antigen of interest. The ability to fuse Fynomers to multiple sites on an antibody allows Covagen to create FynomAbs with tailored architectures to maximize efficacy. Covagen is a privately held Swiss Biotech company with an internal lead bispecific anti-TNF/IL-17A FynomAb moving towards first-in-human Phase 1 studies in early 2014. In 2012, Covagen entered into a strategic alliance, which was recently expanded, with Mitsubishi Tanabe Pharma Corporation for the development of bispecific FynomAbs.

For more information please visit www.covagen.com

About Gimv

Gimv is a European investment company with over three decades experience in private equity and venture capital. Gimv is listed on NYSE Euronext Brussels. Gimv currently manages around 1.8 billion EUR (including third party funds) of investments in 75 portfolio companies, which jointly realize a turnover of more than EUR 6 billion and employ over 26,000 professionals. As a recognized market leader in selected investment platforms, Gimv identifies entrepreneurial and innovative companies with high-growth potential and supports them in their transformation into market leaders. Gimv's four investment platforms are: Consumer 2020, Health & Care, Smart Industries and Sustainable Cities. Each of these platforms works with a skilled and dedicated team across Gimv's home markets of the Benelux, France and Germany and can count on an extended international network of experts.

More information on Gimv can be found on www.gimv.com.

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