

MGVS Ltd.

Multi-Gene Vascular Systems

Description. MGVS' therapeutic products utilize the patient's own (autologous) vascular cells, modified by genes that are operative in angiogenesis - the body's own stimulation for new blood vessel formation and other natural vascular processes. The Company develops unique products for very large patient populations who cannot be treated adequately with current therapeutic modalities. The focus of MGVS therapeutic platform is cardiovascular related syndromes.

MGVS was established in 2000. The Company currently has two products at advanced stages in its pipeline

1. angiogenesis therapy for patients with arterial obstructive diseases of the legs and the heart;
2. bio-engineered grafts for use in bypass surgery in the legs and in hemodialysis access sites.

Competition. The use of bone marrow stem cells or circulating progenitors for the induction of angiogenesis represent significant competition for MGVS' angiogenesis product. The use of direct gene transfer to ischemic tissue is another competitive therapy that is in advanced testing in humans. MGVS faces a number of direct and indirect competitors and technologies in the vascular graft market. Several companies are developing grafts that utilize endothelial seeding. Others are processing veins from cadavers as bypass conduits for use in peripheral vascular disease. In the dialysis access market, MGVS faces competition from developers of direct connections of the artery and vein without using a graft, as well as from developers of dialysis access site grafts and adjuvant products.

Market. Total market size for coronary artery disease (CAD) in the U.S. is 24 million patients. MGVS's initial target market for its angiogenesis product is the 200,000 "no option" coronary patients who cannot be treated with current treatments. Total market size for peripheral vascular disease (PVD) in the U.S. is 16 million patients. MGVS's initial target in this market for its angiogenesis product is the 140,000 "no option" patients with ischemic syndromes of the legs. For the graft product, there is an additional 40,000 patients who require bypass surgery in the legs. In 2001, 300,000 patients were on hemodialysis in the U.S.; of these, up to 50% can benefit from MGVS' biosynthetic grafts for dialysis access.

Approach to Market. MGVS will partner with biotech, pharma or medical device companies that have the vision and resources to commercialize its products.

Revenue Model. MGVS will generate revenues by providing cell modification services to its customers at cell therapy centers in major U.S. cities.

Financial Highlights. MGVS has recently closed a \$4 million round enabling it to conclude Phase I studies.

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■ KEY PERSONNEL

Dr. Moshe Flugelman,
Managing Director and Co-
founder

Interventional cardiologist and
vascular biologist; Associate
Director, Department of
Cardiology, Director of the
Coronary Care and Research Unit
at Carmel Medical Center, Haifa

Michal Silverberg,
VP Business Development and
Operations

Previously: investment manager
with Ofer Brothers, specializing in
life sciences portfolio companies;
Assistant Program Director,
Technological Incubators, Office of
the Chief Scientist of the Ministry
of Industry, Trade and Labor,
Israel; BA, MBA

■ COMPANY STATUS

Ownership: Founders and
employees; Ofer Brothers Hi-
Tech; Mor Yissumim (Clalit Health
Services, the largest HMO in
Israel); Wertheimer Group; Tamir
Fishman Ventures

Development: Toxicity protocol
reviewed and approved by FDA,
toxicity studies started, Phase I
multi-center trials to begin in U.S.
by end 2004

■ INTELLECTUAL PROPERTY

Patents: Three U.S. patents
pending

■ CONTACT INFORMATION

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