



Phone: (908) 277-3737
Fax: (908) 273-9434
Site: www.vertical-group.com
E-mail: info@vertical-group.com
25 DeForest Ave. Summit, NJ 07901

Our Current Portfolio



Alsius Corporation

Alsius has developed a catheter-based system for the delivery of cooled saline solution to patients who have suffered a head injury or heart attack. The cooling of vital organs whose blood supply has been restricted by disease or injury is a widely accepted approach to minimizing permanent tissue injury. The Alsius *COOL LINE/COOLGARD* system has received FDA clearance for temperature control in the neurosurgical intensive care unit. Alsius (NASDAQ-ALUS) became a public company as a result of its merger in 2007 with a public non-operating company, Ithaca Acquisition Company.

Note The Vertical Group participated in a recapitalization financing for Alsius. Jack W. Lasersohn is a member of its Board of Directors.



American Medical Systems

American Medical Systems (AMS) is the world's leading independent developer, manufacturer, and marketer of products for the urology market. Following its spin-off from Pfizer in 1998, AMS completed several transactions to broaden its technology base and product line. The Company's market-leading position in erectile dysfunction is now complemented by multiple product offerings in the incontinence and prostate disease market segments. AMS (NASDAQ: AMMD) completed its initial public offering during 2000.

Note The Vertical Group participated in both the buyout of AMS from Pfizer and also a follow-on transaction to finance a major acquisition. Richard B. Emmitt is a member of its Board of Directors.



Bayhill Therapeutics, Inc.

Bayhill Therapeutics, formerly Tolerion, is developing a new category of biopharmaceuticals to treat auto-immune diseases such as multiple sclerosis, diabetes and arthritis. These DNA-based drugs may be used to tolerize the immune systems of these patients to treat their diseases. Bayhill's lead new drug for multiple sclerosis entered a Phase I clinical trial in 2004.

Note The Vertical Group participated in the founding venture round with lead investor Latterell Venture Partners. Jack W. Lasersohn is The Vertical Group contact.



Bacchus Vascular Inc.

Bacchus Vascular is an early commercial stage company that has developed proprietary, catheter-based technology for the dissolution and removal of blood clots from the vascular system. The Bacchus *TRELLIS* system allows the physician to isolate clot in a blood vessel between two balloons, deliver a clot dissolving solution to that area, mechanically enhance the clot dissolution, and remove the dissolved clot. The entire procedure can be conducted in minutes as opposed to the 24 hours or more required for conventional intravenous thrombolysis therapy. The *TRELLIS* received FDA 510(k) clearance in 2002 and is being marketed in the US by a direct sales force. Bacchus is conducting clinical trials on its *SOLERA* system for removing blood clots causing deep vein thrombosis.

Note The Vertical Group was a first round investor in Bacchus. Yue-Teh Jang and Jack W. Lasersohn are members of its Board of Directors.



Biosurface Technologies Inc. (BioSET)

BioSET is a development stage medical technology company engaged in the development of proprietary bioactive coatings to promote tissue repair. BioSET's technology platform includes synthetic growth factors which mimic the effect of naturally occurring growth factors, but which are much less expensive to produce and easier to incorporate into coatings for medical devices. The Company currently is conducting pre-clinical evaluations for several growth factor mimetics, including those for FGF2, BMP2, and VEGF.

Note The Vertical Group was a founding investor of BioSET. Richard B. Emmitt is a member of its Board of Directors.



Cell Biosciences

Cell Biosciences is an early stage company developing research tools for the biotechnology industry. The company has developed a novel instrument system that will improve both the throughput and accuracy of traditional protein detection assays currently performed using the 'western blot' system.

Note The Vertical Group participated in a Series A financing that was led by Latterell Venture Partners. Jack W. Lasersohn is The Vertical Group contact.



ENTtigue Surgical

ENTTrigue Surgical is an early commercial stage company that is developing several product platforms for the relatively underserved Ears, Nose, & Throat market. The company was founded in 2007 by an ENT surgeon (Dr. Donald Gonzales) and a proven medical device industry executive (Fred Dinger). Among ENTTrigue's first commercialized products are a line of articulating instruments; a septal stapling system utilizing resorbable staples; and a line of resorbable suture and tissue repair products based on a new class of polymers with a profile of strength, flexibility, and soft tissue compatibility that is unique when compared to existing resorbable polymers.

Note The Vertical Group was a founding investor in ENTTrigue, and Richard Emmitt is a member of its Board of Directors.



ev3 Inc.

ev3, Inc. was founded with the goal of building a "middle-market" alternative to its diversified, multi-billion dollar competitors in the \$10 billion market for endovascular devices. Completing five acquisitions and three strategic partnerships since mid-2000, ev3 has demonstrated that a company can be large enough to support global distribution and market development without sacrificing responsiveness to new technologies that address unmet or underserved clinical needs. ev3 has established positions in emerging endovascular technologies such as embolic protection, thrombectomy, stroke prevention, carotid artery stenting, and cerebral aneurysm repair. ev3 (Symbol:EVVV) completed its Initial Public Offering in June, 2005.

Note The Vertical Group, along with Warburg Pincus, was a founding investor in ev3. Richard B. Emmitt is a member of its Board of Directors.



Flexuspine

Flexuspine is an early stage company that is developing novel devices for the treatment of degenerative spine disease. The founders are experienced executives, engineers, and surgeons with extensive experience in the development of spinal technologies.

Note The Vertical Group participated in the Series B financing with Onset Ventures and Warburg Pincus. John E. Runnells is a member of the Board of Directors.



ForteBio

ForteBio is an early commercial stage company that is developing a new generation of analytical tools for antibody-based drug discovery. The Company's first commercial product, the Octet System, incorporates a sensitive optical detector and a unique series of application-specific biosensor consumables. The Octet System can perform label-free, real-time detection and analysis of molecular interactions, thus potentially accelerating antibody discovery by providing a cost-effective way to make critical measurements even on crude samples in early stages of development.

Note The Vertical Group led ForteBio's B round financing and Yue-Teh Jang is a member of its Board of Directors.



Galil Medical

Galil Medical is a pioneer and leader in the market for cryotherapy systems utilized to treat prostate and kidney cancer as well as non-cancerous disorders such as uterine fibroids. The company's technology is based on the ability to freeze and ablate tissue in a procedure that is both precise and minimally invasive. Based in Yokneam, Israel, Galil has a direct sales organization in the United States and has world-wide sales exceeding \$25 million.

Note The Vertical Group participated in a change of control and recapitalization financing for Galil Medical. Richard B. Emmitt is a member of its Board of Directors.



Incumed

Incumed is a medical device "incubator" committed to working with physicians, engineers, and other inventors with new product ideas that may not have the commercial profile required by large corporations or the venture capital community. Incumed partners with inventors and utilizes its experience and resources to maximize the commercial value of a new product idea.

Note The Vertical Group was Incumed's founding investor. Richard B. Emmitt and John E. Runnells are members of its Board of Directors.

INPHENIX

InPhenix Corporation

InPhenix is a leading developer and manufacturer of optoelectronic devices for the medical, defense, and telecom markets. The Company's Super Light Emitting Diodes (SLEDs) are utilized in a variety of optical imaging systems for biomedical applications, and its customers include several leading manufacturers of ophthalmic and laboratory diagnostic instrumentation.

Note The Vertical Group was an early investor in InPhenix. Yue-Teh Jang is a member of its Board of Directors.



Novocell

Novocell is a pioneer in the field of islet cell transplantation for the treatment of diabetes. The company's cellular encapsulation and cell culture technology may lead to an alternative to life-long insulin injection therapy for millions of diabetics. Novocell has strategic partnerships with Becton Dickinson and SurModics.

Note The Vertical Group participated in the founding financing round for the Company. Jack W. Lasersohn is the Vertical Group contact.



OncoMed Pharmaceuticals, Inc

OncoMed is an early stage biopharmaceutical company that is developing drugs based on the newly discovered concept of 'cancer stem cells'. The company's scientific founders were among those responsible for first isolating such cancer stem cells, which appear to be the rare cells in tumors responsible for producing malignancy and tumor growth. In 2007 OncoMed and GlaxoSmithKline ("GSK") formed a strategic alliance to develop cancer therapeutics based on the Company's cancer stem cell antibody technology. OncoMed has entered the clinic with its first anti cancer stem cell antibody, and a second antibody is scheduled to enter the clinic later this year. A third antibody, not included in the GSK collaboration and controlled by OncoMed, has been identified with promising efficacy in its animal cancer models. OncoMed completed a financing in late 2008 that will support the company through 2012 (assuming appropriate progress in the GSK collaboration).

Note The Vertical Group participated in the founding venture round with lead investor Latterell Venture Partners. Jack W. Lasersohn is a member of its Board of Directors.



Optos plc

Headquartered in Dunfermline, Scotland, Optos is a developer, manufacturer, and marketer of innovative ophthalmic imaging systems. The Company's PANORAMIC 200 imaging system produces a high resolution image of the retina without the discomfort and inconvenience of dilatation. Partnering with leading ophthalmologists and optometrists, Optos has over 2000 installations in the United States. In January 2006 Optos (LSE: OPTS.L) completed its initial public offering on the London Stock Exchange.

Note The Vertical Group was an early round investor in Optos. Patrick Paul is a member of the Board of Directors.



PhotoThera Inc.

PhotoThera is a development stage company that is exploring non-invasive therapeutic applications for laser light. In 2008 PhotoThera completed a large randomized trial for its new therapy for stroke. While demonstrating a positive treatment effect, the clinical results did not reach the study's statistical objective. Nevertheless, based on the trial's observed positive treatment effect, as well as the positive results of previous clinical trials, PhotoThera remains optimistic about the potential of its technology and is planning a new clinical trial. While significant risks remain, an effective non-invasive treatment of acute stroke would be a breakthrough for patients and a significant value creator for PhotoThera.

Note The Vertical Group participated in an early financing for PhotoThera. Jack W. Lasersohn is a member of its Board of Directors.



Proteolix, Inc.

Proteolix is an early stage biopharmaceutical company that is developing drugs which target the activities of the proteasome. The founders are among the world's leading experts on the proteasome and their previous work led directly to the development of Velcade, the leading FDA approved drug for the treatment for multiple myeloma. The developer of Velcade, Millenium Pharmaceuticals, was acquired in 2008 for approximately \$8 billion. The Proteolix drug, Carfilzomib, has completed several Phase II clinical trials that demonstrate efficacy equivalent or superior to Velcade without the latter drug's dose limiting toxicity. These clinical results also suggest that the Proteolix drug may have superior efficacy compared to Celgene's Revlimid, with a similar toxicity profile. In early testing, Carfilzomib also has demonstrated efficacy against both renal cell and small cell lung cancer. Proteolix has received acquisition offers at values substantially higher than Vertical's cost.

Note The Vertical Group participated in the founding round of venture financing led by Latterell Venture Partners. Jack W. Lasersohn is a member of its Board of Directors.



Tepha, Inc.

Tepha is a development stage medical device company engaged in utilizing unique and proprietary biomaterials derived from a class of polymers known as PHAs (polyhydroxyalkanoates). Relative to conventional medical grade polymers, the Tepha PHA-derived materials are distinguished by their elasticity, flexibility, and non-acidic, "cell friendly" biodegradation. This profile positions the TephaFLEX and TephELAST polymers as ideal materials for medical devices of the future, and especially those devices emerging from the rapidly expanding field of tissue engineering. Tepha received its first FDA 510(k) release for a PHA polymer derived device in 2007. The company's commercial partners include Aesculap, Bard, ENTrigue Surgical, HemCON, NMT Medical, and Tornier.

Note The Vertical Group was the lead investor in Tepha at the time of its spin-off from its sister company, Metabolix, Inc. Richard B. Emmitt and Edward M. Giles are members of Tepha's Board of Directors.



TetraLogic Pharmaceuticals

TetraLogic Pharmaceuticals discovers and develops important drugs to treat cancer. TetraLogic's founding scientists, Drs. George McLendon and Yigong Shi, at Princeton University, developed TetraLogic's core technology, called 'Smac mimetics', which enables drugs to be developed that unblock the cell death or apoptosis pathway, resulting in the death of tumor cells. The company plans to initiate clinical studies during 2007.

Note The Vertical Group participated in the company's Series B financing in 2006 and Jack Lasersohn is a member of its Board of Directors.



Tornier

Tornier is a global orthopedic company and a leader in the market for shoulder and extremity joint replacement systems. Based in Grenoble, France, Tornier has been a respected orthopedic industry pioneer since its founding during the 1940's. During the 1990's, Tornier's close collaboration with prominent surgeons led to the commercialization of the AEQUALIS shoulder and SALTO ankle product lines. During 2007 and 2008, Tornier completed four acquisitions and four corporate partnerships to expand its line of upper and lower extremity product lines and also to enter the sports/arthroscopy market. The Company's annual sales are approximately \$200 million.

Note In July of 2006 The Vertical Group and its co-investor, Warburg Pincus, purchased a controlling interest in Tornier. Richard Emmitt is a member of its Board of Directors.