

"Follow the money."

# VENTURE REPORTER™

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OCTOBER 2002

INSIDE: 100 COMPANIES RECEIVE \$758.8 M, AVG. DEAL SIZE: \$7.6 M

# THE VENTURE REPORTER 100

THE 100 TOP VENTURE-BACKED COMPANIES

THE

# VENTURE REPORTER

100

Last spring, *Venture Reporter* rated the top venture capitalists across a broad swath of industries. Now, our editors have examined the other side of the equation: the companies these top venture capitalists are actually investing in.

A note about our selection process: To be considered, companies had to have closed either a seed or Series A round over the past 16 months, specifically between June 1, 2001, and September 30, 2002. To be further considered, these companies also had to furnish us with multiple data points, including information about their management team, corporate history, product lines, and their five-year revenue projections. In making our final decision, *Venture Reporter's* editorial team considered factors like sustainability of business plan; quality of leadership; intellectual property; and general health of the industry.

We did not rank these companies outright in our survey; there are simply too many competing

variables to consider to list all of them from best to worst. Yet comparing, say, cash-flow breakeven dates can give a decent indication of which companies are on track to reach profitability the quickest.

So, we've divided the Top 100 into 10 industries, from software to services to content. Within each industry, companies are sorted in order of who raised the most money (keeping in mind that in some cases, companies managed to close multiple rounds in a short period of time). While the sorting method could seem arbitrary in terms of what it reveals about the strength of a company's business plan, it clearly indicates how well the management team raises funds, a skill that is even more impressive given the current health of the financial markets.

At the end of the day, think of this Top 100 as a signpost for the VC industry, one that points out where the money is going—and why the companies selected here might be getting it.

Best regards,

*The VR 100 Team*

# Mindset BioPharmaceuticals

LATEST ROUND \$15 M

P.O. Box 45032,5 Kiryat HaMada, Har Hotzvim, Jerusalem 91450 Israel

972.2.541.2727

www.mindset.co.il



## DANIEL CHAIN, PH.D., PRESIDENT AND CEO

Age 45

**Schools** M.I., Institute of Biology, London; Ph.D., Weizmann Institute of Science, Israel

**Exec. experience** research fellow, Columbia University, 1991-97

**F.K.A.** Early researcher of the ubiquitin pathway, now a focus of Alzheimer's research

**E-mail** dchain@mindset.co.il

## FAST FACTS

<b>Founded</b>	February 1998
<b>Employees</b>	30
<b>Previous funding</b>	\$3 M
<b>Expected next round</b>	\$11 M
<b>When</b>	Q2 2003
<b>Competition</b>	Pfizer, Novartis

## MANAGEMENT TEAM

**Paul Bendheim**, exec. VP and chief medical officer

**Eyal Neria**, VP drug development

**Shalom Allenstein**, VP finance

**Avril Golan**, VP human resources and administration director

**Cheryl Fitzer-Attas**, director biological research

More than 4 million people in the U.S. and another 4 million in Europe currently suffer from Alzheimer's disease. To date, no medication on the market has been able to treat the underlying physiological mechanism responsible for the disease, which is expected to become more prevalent as the population ages.

Targeting that large and expanding market—and using an antibody-based immunotherapeutic approach—Mindset is ingeniously focused on developing disease-modifying therapies that will address more than just the symptoms of cognitive deterioration that current drug therapies target.

Mindset developed its lead therapeutic candidate, Oxigon, thanks to exclusive worldwide intellectual property licenses granted at New York University and the University of Alabama. The National Institute of Health recently chose Oxigon from among hundreds of candidates to be tested in one of three upcoming clinical trials. Phase I trials will be conducted by the NIH-supported Alzheimer's Disease Cooperative Study and are expected to begin early next year. Mindset is also researching the use of antibodies for the treatment and prevention of Alzheimer's in vaccine form.

The recent failure of competitor Elan's

Alzheimer's drug candidate—Phase II trials were halted after it was discovered that the drug caused life-threatening brain inflammations—produced both despair and alarm in the Alzheimer's disease research community. Yet, CEO Daniel Chain sees a silver lining in this cloud.

"We have a very unique position in developing immunotherapeutic approaches for Alzheimer's disease. What has put us there is a strong focus on safety issues right from the beginning," Chain said. "The concern wasn't so much whether they would work, but how you do it safely in man."

To meet that goal, the company is enjoying the fact that its R&D efforts are bolstered not only by a sizeable amount of venture funding as well as government grants but also by its revenue-generating contract-research platform, MindGenix, which is heavily utilized by pharma and drug development companies. Plus, Chain, who's best known for the seminal research into the molecular basis of memory he conducted at Columbia University, has assembled a rich mix of managers—scientists, medical experts, and former pharma executives—to take the company to the next level.

"It is a small company with an extraordinary high profile in the sense of the people that it has involved with it," Chain said. "I

## TARGET MARKET

**Size** \$2 B

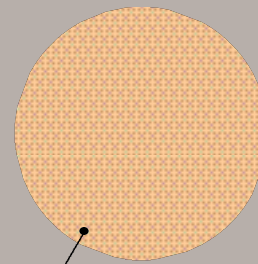
**Description** Drug-based immunotherapies for the eventual cure of Alzheimer's disease

## INVESTOR VIEW

"Mindset's assets is continuing, and we are hopeful that we can bring to market improved therapies for Alzheimer's."

—Dr. Ed Mascioli, principal, MPM Capital

## SERIES A SPENDING



100% Research and development

## INVESTORS

MPM Capital (lead)

CLAL Industries and Investments

## BOARD OF DIRECTORS

**Michael Schickler**, chairman and CEO, CureTech

**Daniel Chain**, founder and CEO, Mindset

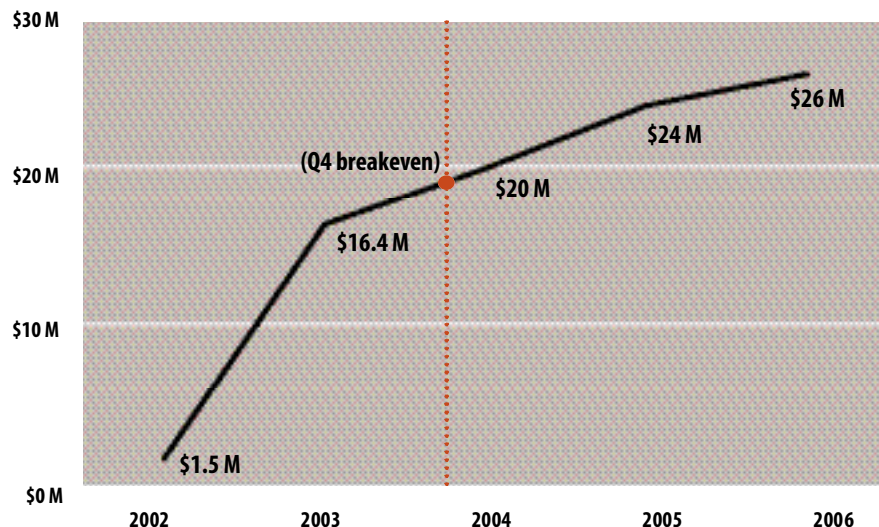
**Ansbert Gädicke**, founder, MPM Group  
**Alfred Goldberg**, professor, Harvard Medical School

**Salomon Langer**, VP and president molecular biology and drug discovery, Compugen

**Keith Mansford**, founder and principal, Mansford Associates

**Ed Mascioli**, principal, MPM Capital

## PROJECTED REVENUE GROWTH



**THE SKINNY** A talented research team and strong lead drug make curing Alzheimer's seem feasible