

Top Headline Transactions (cont.)

Company Name	Sector	Round	EUR (mn)	Description	Investors
Forth Photonics (UK) www.forth-photonics.com	Hardware	B	7.6	Optical molecular imaging technology provider	Albion Ventures, NBGI Ventures, Scottish Enterprise

- Forth Photonics (UK)**, a provider of optical molecular imaging technology, has raised €7.6mn in a **Series B** round from **Albion Ventures, NBGI Ventures, and the Scottish Venture Fund**. The Company will use the funds to commercialise its first product, DySIS (Dynamic Spectral Imaging System), which is approved for Europe and is currently being considered for market clearance by the US Food & Drug Administration (FDA). DySIS uses dynamic, non-invasive spectral imaging technology to assist gynaecologists in the detection and mapping of pre-cancerous and cancerous lesions of the cervix. Forth Photonics estimates that the cervical cancer diagnostic market is worth about €570mn per year.

Forth Photonics was established in 2002 by DySIS inventor Constantinos Balas, an Associate Professor at the Technical University of Crete with more than 20 years experience in biomedical engineering and imaging diagnostics. Balas is now CTO of the Company. Initially headquartered in London, Forth Photonics is now located in Edinburgh after Fiona Lowrie joined as CEO in Jan 2008. Lowrie, an alumnus of Bain & Company, previously established the European operations of Optos, a UK retinal imaging device company.

Medtech, previously a small niche of VC investing with modest exits, is one of the sectors we believe is going to be quite active in 2009 owing to the recession-proof demand for such technologies. In addition, exits for this sector, while perhaps not multi-billion in size, are at least a real possibility. Forth Photonics began popping up on VCs' radars after the success of its initial clinical trials at Hammersmith and Saint Mary's Hospital in London and at Athens' Alexandra Hospital. Results showed that the Company's DySIS system increased the sensitivity of pre-cancerous lesion detection by as much as 60% over traditional methods.

There has been a long gap from this Series B and the Company's initial round of €2.5mn raised in June 2002, and it appears Forth Photonics has more than partially funded itself over the past seven years through sales of its product to several hospitals in Greece, Ireland and the Netherlands. Initial Forth Photonics investor NGB Venture Partners (€112mn under management), is based in Athens and returns for this round of funding. NGB Venture Partners is affiliated with the National Bank of Greece (largest financial institution in Greece) and NBGI Private Equity, and primarily focuses its investments in Greece, Southern Europe and emerging European areas (Balkans, Central and Eastern Europe).

New investors joining this Series B round include Albion Ventures (€350mn under management) and the Scottish Venture Fund (SVF). Albion Ventures was just recently formed after the MBO of VCT Close Ventures (€367mn under management) from Close Brothers in January 2009. SVF has been set up by Scottish Enterprise, Scotland's main economic and innovation development agency, and invests £500K to £2mn in businesses that are referred by one of its deal promoting partners (DPPs). Close Ventures is a DPP for SVF along with Amadeus Capital Partners, Emerald Technology Ventures, Herald Ventures, and other VCs.