

## **Novagali Pharma completes €26 million financing to support phase III clinical trials and development of new ophthalmic products**

April 12, 2006 (Evry, France): Novagali Pharma SA, a privately-held biopharmaceutical company that develops novel ophthalmic products announced today it has secured €26 million in a new financing round involving participation of new and existing investors. With this new funding, the total capital raised by Novagali since its inception equals €44 million. AGF Private Equity and Bernard Chauvin joined the group of Novagali Pharma's investors: 1.2.3. Multinova, Auriga Partners, CDC Entreprises Innovation, Credit Agricole Private Equity, Edmond de Rothschild Investment Partners, FCJE managed by CDC Entreprises - FP Gestion and Siparex Ventures.

« We are very enthusiastic about the renewed confidence of our investors in the company and products » declares Jerome Martinez, President and CEO of Novagali Pharma, who adds « this series C financing round will allow us to pursue high potential projects among which some might be commercially available by the end of 2007 and to prepare the company in such perspectives ».

« We are extremely proud to lead this pre-IPO financing round in order to set up Novagali as an indisputable player in the pharmaceutical ophthalmic field » confides Remi Droller from AGF Private Equity, a venture-capital firm.

Novagali Pharma has a unique patented technology platform Novasorb™ based on cationic emulsions which was instrumental in building a significant pipeline with various products at final stages of development. For the treatment of dry eye, Novagali Pharma is preparing the registration in Europe and USA of Cationorm™ (Nova23006/33). In parallel, Nova22007, a Cyclosporine A cationic emulsion, is in phase III clinical study and Nova21027 will enter into phase II clinical trial for glaucoma treatment.

This new fund raising allows Novagali Pharma to finance clinical trials, speed up other development projects such as Eyeject™ - a novel technology for intra and peri-ocular delivery of drugs - and research programs which include treatment of retinopathies.

The proceeds provide the company with the flexibility to adapt its structure in anticipation of eventual product commercialization by itself or with a partner.

About Novagali Pharma: <http://www.novagali.com>

Novagali Pharma SA, a biopharmaceutical company specializing in ophthalmology, develops innovative products for all segments of the eye. Founded in 2000, the firm has raised a total amount of €44 million from 1.2.3. Multinova, AGF Private Equity, Auriga Partners, Bernard Chauvin, CDC Entreprises Innovation, Crédit Agricole Private Equity, Edmond de Rothschild Investment Partners, FCJE and Siparex Ventures.

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