

February 17, 2009

## **Statement from Marty Zug, CFO for Sequella Regarding Biotech Tax Credit Day in Annapolis**

*“The biotechnology industry is extremely capital intensive. Maryland has a vibrant biotechnology industry, yet during the entire fourth quarter of 2008, Maryland accounted for less than 1.25% of U.S. private equity investment in biotechnology & medical diagnostic and device companies. This level of investment in Maryland biotechnology companies falls well below those of competing regions such as Boston and San Diego. Clearly there is a need for additional investment if Maryland’s biotechnology industry is to survive and compete with other biotechnology centers in the U.S. and around the world.*

*Over the past three years, thirty-nine companies have been the beneficiaries of an innovative investment tax credit in the state of Maryland. The Maryland Biotechnology Investment Tax Credit provides investors in qualified Maryland Biotechnology companies a 50% refundable tax credit against amounts invested. \$36 million has been directly invested in Maryland biotechnology companies through the program and companies report leveraging the tax credit funding to garner over \$13 million in additional funding.*

*On July 1, 2008, the first day of the new fiscal year, company executives literally camped out in front of the doors to the Maryland Department of Business and Economic Development to ensure their investors would be the first in line for the \$6 million worth of biotechnology investment tax credits. On that first day of availability, \$8.5 million of applications were submitted for just \$6 million in credits. As a result, over 20 investors were put on a waiting list and the word went out to no longer apply; the funds were exhausted on day one.*

*Without additional funding, I have no doubt the tax credit budget allocation of \$6 million will once again be exhausted on day one in 2009. Whether the tax credit program is funded at \$6 million or \$12 million in FY 2010, it will be a small line item in a \$31.5 billion statewide budget. However, it may be the difference between capital investment and life or job loss and death for many Maryland biotech companies.*

*Today, Sequella, along with other members of the Maryland Biotechnology industry have come to Annapolis to share our biotechnology investment tax credit success stories and to urge the Governor and the Legislature to increase funding of this vital program to \$12 million in the event the state has any discretion over the spending of federal stimulus funds.”*

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### **About Sequella**

Sequella is a clinical stage biopharmaceutical company focused on commercializing improved treatments for infectious diseases of epidemic potential. The company leverages its global influence, R&D platforms and infectious disease expertise to proactively address emerging health threats. Through focused execution, clear commercialization pathways, and strategic partnerships, Sequella intends to commercialize a broad product portfolio designed to treat global health threats with significant market opportunity.

