

Press Release

23 September 2010

FUNDING TO AID DEVELOPMENT OF SKIN CANCER THERAPY

A consortium of experts has won a significant grant to develop a novel regenerative medicine product to help skin cancer patients.

EktoTherix™, a bioresorbable scaffold material that assists patient tissue repair and regeneration, has been developed by Neotherix Limited supported by Lorien Engineering Solutions and Smith & Nephew Advanced Wound Management. Matrix Knowledge Group also joined the consortium to provide economic evaluation for the new product into clinical practice. The consortium has secured 50% funding for the £345,000 project from the Technology Strategy Board to take the therapy to the next stage of development. This follows an earlier feasibility project grant made to Neotherix by the Board in 2009.

The product works by applying a patch of EktoTherix™ following excision of the basal or squamous cell carcinoma by the clinician, and this rapidly allows the wound space to be filled with (and then covered by) the patients' own skin cells. The product is formed via an electrospinning process, and the highly porous three-dimensional scaffold structure supports the migration and proliferation of fibroblast cells from surrounding healthy skin tissue to facilitate healing of the wound.

This innovative treatment provides an aesthetically acceptable repair to the skin, avoids the need to either graft donor skin tissue from elsewhere on the patient or have an extended healing process with regular dressing changes with an increased risk of infection, and provides a convenient and cost-effective treatment for dermatologists and surgeons.

Neotherix' initial clinical target concerns the post-surgical treatment of non-melanoma skin cancers. Further clinical applications are expected. Mike Raxworthy, CEO of York-based Neotherix said: "This Technology Strategy Board funded project will continue the development of the product towards full commercialisation. It will allow us to conduct confirmatory preclinical testing for efficacy and safety, perform GMP production trials and explore the patient pathway including the initial stage of a clinical economic evaluation. On completion of this project our aim is to conduct a

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clinical evaluation of the product, with an estimated market launch in late 2012. The estimated global market for this product is £360m per annum.”

Midlands-based Lorien Engineering Solutions is assisting in the development of the commercialisation pathway for the product. In particular, Lorien is leading the definition of GMP manufacturing requirements and manufacturing risk evaluation which will be required by regulatory authorities. Lorien’s life sciences director Bill Treddenick said: “This grant award is fantastic news for the project as the product has the potential to greatly improve patient outcomes during non-melanoma skin cancer excisions. Lorien is delighted to be part of such a successful consortium of companies working in the regenerative medicine arena, and in particular to be able to continue our involvement with Mike Raxworthy and colleagues at Neotherix following completion of the Technology Strategy Board-funded feasibility project earlier this year.”

Commenting on the grant awards for regenerative medicine projects, Iain Gray, the Technology Strategy Board's Chief Executive, said: "Regenerative medicine has already provided significant medical advances in areas such as skin regeneration for burns patients, and it has the potential to offer cures and treatments with long-term benefits. The UK is a world leader in this area, with a strong science base. For us to fulfil our potential in this field, a number of development challenges need to be overcome, so that British businesses – and the wider economy – can benefit from the successful commercial exploitation of promising discoveries."

The investment in EktoTherix™ is part of a £21.5m programme of competitions, managed by the Technology Strategy Board, in the area of regenerative medicine. Launched in September 2009, the programme is supported by the Medical Research Council (MRC), the Biotechnology and Biological Sciences Research Council (BBSRC) and the Engineering and Physical Sciences Research Council (EPSRC). In January 2010 the Board announced its first investments through the programme, with 31 feasibility studies receiving £2.8m of funding while three major collaborative research and development projects received £2.3m. The Board announced a further investment in July 2010 with 16 research and development projects and 12 feasibility studies sharing £5.1m.

Ends.

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All media enquiries to Dr Mike Raxworthy at Neotherix Limited (mike.raxworthy@neotherix.com).

Notes to Editors

- Lorien Engineering Solutions

Lorien Engineering Solutions is an engineering design and project management organisation, and is part of the Lorien Limited group of companies. With operations in Lichfield UK and Wrocław Poland, the company has a staff of 70 specialists who design and deliver manufacturing projects in the brewing, drinks, food and life sciences industries. One specialism of the company is working with emerging life sciences companies during the latter stages of product development and assisting the scale-up and commercialisation process through to GMP manufacture. Other growing areas of specialism are in sustainable energy and resources, construction health & safety and equipment safety compliance.

Working for many of the world's top manufacturing organisations within the UK and overseas, Lorien Engineering Solutions was recently awarded with the Order of Distinction for occupational health and safety in the construction by RoSPA (Royal Society for the Prevention of Accidents) for the fourth year running, and the National Britannia "SAFEcontractor" scheme accreditation for the fifth year in succession. In 2010 the company celebrated its 25th year in business.

- Neotherix Limited

Neotherix Limited is a regenerative medicine company established in 2007 specialising in the development of novel bioresorbable scaffolds for tissue regeneration and repair.

Neotherix develops innovative products for soft tissue repair and therapy in specific, selected applications where there is a clear clinical need. We apply and exploit our unique knowledge of polymer electrospinning technology combined with wound healing biology to develop and then demonstrate the effectiveness of the resulting bioresorbable scaffold materials. The company has now received three grants from the Technology Strategy Board as well as grant funding to support other pipeline projects.

- The Matrix Knowledge Group

The Matrix Knowledge Group has a twenty year international, national and local track record of supporting some of the biggest policy decisions by rapidly utilizing the best available evidence. Our team includes world renowned consultants, researchers, experienced practitioners, and creative software developers who collaboratively create the organisational, knowledge and information infrastructures and evidence to deliver improvements in performance and value. The team is supported by a worldwide network of well-regarded partner organisations and academic advisors.

Our headquarters are based in London and we have subsidiary companies in North America, India and the United Kingdom. We also have a substantial European Union presence and operate in over twenty languages. Our growth is consistent with our values of integrity and excellence and has focused on identifying those economies, and businesses who are hungry for change built upon transparent decision making and evidence.

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- Smith & Nephew

Smith & Nephew is a global medical technology business with global leadership positions in Orthopaedics, including Reconstruction, Trauma and Clinical Therapies; Sports Medicine; and Advanced Wound Management.

Smith & Nephew is dedicated to helping improve people's lives. The Company prides itself on the strength of its relationships with its surgeons and professional healthcare customers, with whom its name is synonymous with high standards of performance, innovation and trust. The Company's products are sold in over 90 countries worldwide. Annual sales in 2009 were nearly \$3.8 billion.

- The Technology Strategy Board

The Technology Strategy Board is a business-led executive non-departmental public body, established by the government. Its role is to promote and support research into, and development and exploitation of, technology and innovation for the benefit of UK business, in order to increase economic growth and improve the quality of life. It is sponsored by the Department for Business, Innovation and Skills (BIS). For further information please visit www.innovateuk.org.