

## **PolyTherics Raises £3 million to Commercialise PEGylation Technologies**

**February 17<sup>th</sup>, 2010 London, UK.** PolyTherics Limited (“PolyTherics”), innovators in precision engineering of proteins as biotherapeutic products, is pleased to announce the completion of an investment round of £3.0 million in the company. The investment round was led by Imperial Innovations Group plc, the technology investment and commercialisation company (AIM: IVO), and included Longbow Capital and The Capital Fund. This investment follows on from a £2.3 million financing backed by the same syndicate in June 2007.

Since commencement of operations in 2002, PolyTherics has developed a suite of technologies to improve the properties of biologics for therapeutic use. Having successfully out-licensed its targeted PEGylation technology TheraPEG™ to several commercial partners, the Company intends to use these new funds to exemplify its PEGylation platforms, HiPEG™ and CyPEG in the context of novel peptides and proteins as potential ‘biobetter’ products. PolyTherics intends to continue to out-license its PEGylation technologies while seeking external grants to support its research.

Robert Bahns of Imperial Innovations joins the Board of PolyTherics at this investment round, while Till Medinger and Stephane Mery resign from their non-executive director positions.

Keith Powell, Chief Executive Officer of PolyTherics, said, ‘Since the June 2007 financing round, PolyTherics has made considerable progress in developing its proprietary PEGylation technologies and partnering for biopharmaceutical product development. Moving now into this exciting next phase of development, we are pleased that our investors have continued to recognise the value-creation opportunity that PolyTherics represents. Our licensing business has generated significant revenues while we continue to innovate technologies and explore new ways to enhance the duration of action of drugs. Given the burgeoning market for biotherapeutics and especially ‘biobetter’ products, PolyTherics is ideally placed to capitalise on this investment and continue to build on its strengths’.

Dr Powell commented further, ‘I would like to sincerely thank Till and Stephane for their active and enthusiastic support as Board members over the past 5 years and look forward to working with Robert Bahns as our new director.

Susan Searle, Imperial Innovations’ Chief Executive Officer, said: ‘TheraPEG™ technology has the potential to make a significant impact on drug development in many different fields of healthcare. It is this kind of technology, addressing global needs, that we regard as a high priority for the substantial funding and management support we can provide.’

Edward Beckett, Director of Longbow Capital, said: ‘PolyTherics now offers an increasing range of solutions to medium and large biotech and pharmaceutical companies. We are delighted to be supporting this next phase of development and growth which we expect will develop PolyTherics into a very valuable and strategically significant business’.

Ian Cameron, Investment Director at YFM Venture Finance, said, ‘PolyTherics has made good progress since our first investment in 2007 and this new investment will provide the Company with a solid base on which to build’.

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Notes to Editors

**About PolyTherics**

Founded in 2002, PolyTherics is a spin-out company from Imperial College London and the London School of Pharmacy that is dedicated to using biomedical polymers to optimise pharmaceuticals for the treatment and cure of the world's most important diseases.

PolyTherics has developed and patented innovative approaches to PEGylation, known as TheraPEG™, HiPEG™ and CyPEG™, to prolong the half-life of proteins and peptides for therapeutic application. PEGylation is the process by which poly(ethyleneglycol) (PEG) is chemically attached to biologic entities to modify their pharmacokinetic properties. PEGylation increases the time that a compound remains in the bloodstream before being metabolised or excreted by the body, improving its half-life, increasing its duration of action and potentially reducing treatment frequency. These benefits in turn decrease side effects and improve patient compliance. For example, PEGylated interferon treatments for Hepatitis C can be administered once rather than the three times per week required for the non-PEGylated form.

PolyTherics is pursuing a two-pronged business model: developing PEGylation projects in house for later stage out-licensing, and partnering with companies seeking technologies to create cost effective therapies. Both strands of business are already generating revenues for the Company.

The Company's future strategy is in three areas:

- Licensing of PEGylation technologies to biopharmaceutical companies for product development;
- Partnerships for the development of PEGylated 'biobetter' products;
- Application of PEGylation expertise to novel peptides and proteins.

PolyTherics is established in facilities in the London Bioscience Innovation Centre (LBIC).