

4th July 2006

## Biofusion plc

### Investment in Adjuvantix

#### New funds to drive development of novel vaccine enhancing technology

Biofusion plc ("Biofusion") today announces an investment of £240,000 in Adjuvantix Ltd ("Adjuvantix"), a Sheffield-based biopharmaceutical company focussed on novel technologies to enhance immune system responses to prophylactic and therapeutic vaccines. The investment will be made in two tranches, the first of which will take Biofusion's shareholding to 41%. The second tranche is milestone dependent and, when fully invested, Biofusion's holding in Adjuvantix will be 49%.

Adjuvantix has developed a new approach to stimulate the immune system safely and increase the effectiveness of a wide range of vaccine antigens including proteins, peptides, polysaccharides and organic molecules and thus improve vaccines for any clinical application. The technology has the potential to improve drugs for cancer and inflammatory diseases as well as infectious diseases such as TB infection and AIDS.

Adjuvantix was originally spun out of the University of Sheffield with support from the White Rose Technology Seedcorn Fund. Their technology is based on the work of Dr Andrew Heath, Chief Scientific Officer for Adjuvantix, and Reader in the Infection and Immunity Group, based in the highly regarded Medical School at Sheffield University. Studies of influenza and other model antigens have shown it capable of increasing antibody responses up to 1,000-fold. This capability would allow the development of vaccines against diseases where current technologies fail or where the immune system is weakened, for example in AIDS or after radio- or chemo-therapy.

The technology developed by Adjuvantix also has the potential to overcome the limitations of existing adjuvant technologies which are effective in enhancing immune responses but can also cause unwanted local and systemic side effects, such as pain, redness, swelling and fever.

The new funds invested by Biofusion will be used to validate Adjuvantix's technology further and build a robust data package to attract pharmaceutical partners looking to co-develop products for clinical development and marketing.

David Baynes, CEO of Biofusion, said: "New vaccine approaches for both preventing and treating diseases are very much in demand and we are excited by the role Adjuvantix's technology could play in creating a new generation of products. The investment will give real impetus to Adjuvantix's commercial development and is an excellent example of the Biofusion model in action – providing funding and management support to generate real value from world-class university research."

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## About Adjuvantix

Adjuvantix is an early stage biopharmaceutical company, focused on the development of proprietary adjuvants which will be the basis for co-development of a range of improved prophylactic and therapeutic vaccines. Adjuvantix has filed four families of patent applications claiming adjuvant technology and aims to exploit this technology to develop adjuvant systems suited to a wide range of vaccine antigens, including proteins, peptides, polysaccharides and organic molecules that are designed to provide the desired antibody or cell-mediated immune response for any given clinical application. Adjuvantix is based in Sheffield, UK, and was founded in 1999.

[www.adjuvantix.com](http://www.adjuvantix.com)

## About Biofusion

Biofusion was established in 2002 to commercialise university-generated IP. The Company has a ten-year exclusive arrangement with the University of Sheffield for the commercialisation of IP owned by the University in the area of medical life sciences. Biofusion has shareholdings in a portfolio of ten spin-out companies including Asterion, Axordia, Celltran, Simcyp, Lifestyle Choices and Genophrenix. The University of Sheffield is a world class life sciences research centre spending an estimated £0.5bn of research funding over the next ten years. The University, which celebrates its centenary this year, can count five Nobel Prize winners among its alumni and researchers, and data from the latest UK Government's Research Assessment Exercise 2001 ("RAE 2001") showed it ranked fifth in the UK for the quality of its life sciences research.

In March 2006 Biofusion entered into a strategic partnership with NPI Ventures Limited ("NPI Ventures"). NPI Ventures is the technology investment business wholly owned by Nikko Principal Investments Limited ("NPIL"), the European principal finance arm of Nikko Cordial Corporation ("Nikko"), which is listed on the Tokyo Stock Exchange. Under the agreement NPI Ventures established a £10 million side fund for the dedicated purpose of investing in Biofusion portfolio companies, invested £2 million in Biofusion by taking a 7.37% equity stake in Biofusion and has warrants with a total potential subscription value of £6.25 million, exercisable at exercise prices between 150p to 220p.

[www.biofusion.co.uk](http://www.biofusion.co.uk)

**About White Rose Technology Seedcorn Fund**

The White Rose Technology Seedcorn Fund (WRTSF) is an early stage seedcorn fund, which invests in exciting new technology emerging from the Universities of York, Leeds and Sheffield. The £9m Fund provides venture capital funding of up to £500,000 to help growing companies with management input, advice and experience and bring an investor's viewpoint to bear at an early stage. WRTSF provides investment to enable the transition from promising research work to commercial reality. The Fund invests in companies with exciting growth potential, protectable IP and committed management teams. WRTSF is owned by the Universities of York, Leeds and Sheffield, and managed by Aberdeen Asset Managers Private Equity.

[www.whiteroseseedcorn.com](http://www.whiteroseseedcorn.com)