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NVM INVESTS IN PIONEERING DRUG SAFETY TESTING COMPANY

NVM Private Equity Limited (NVM) has committed £1 million as part of a new funding round of £1.4 million into Gentronix. The pioneering Manchester based company has developed a novel process enabling the pharmaceutical industry to test new drugs for potential carcinogenicity. Gentronix's *Greenscreen HC* process tests new drugs for potentially cancerous toxins at a very early stage. This saves huge expenditure developing drugs that ultimately fail genotoxicity trials.

Globally the pharmaceutical sector spends an estimated \$53 billion a year on research and development; despite this an average of less than 26 drugs per annum have been brought to market in the last eight years. The cost of developing, testing and taking a drug to market is currently estimated to be \$900 million and can take 10-15 years. The overall investment made in developing drugs that later fail testing, in some cases due to toxicity, is estimated to cost the industry in the order of \$32 billion annually; Gentronix's early detection kits therefore have great potential to reduce this expenditure significantly.

The company, founded in 1999, is a spin-out from The University of Manchester backed by Manchester Technology Fund and YFM Private Equity Limited. Having established the Intellectual Property for early identification of genotoxic carcinogens they currently offer two screening kits. These work alongside the regulatory standard screening products that are only 60% accurate in detecting genotoxic compounds. The quality of Gentronix is recognised by two of the world's leading pharmaceutical companies; Johnson & Johnson and GlaxoSmithKline, who both use Gentronix screening kits.

NVM recognised the growing genotoxicity testing market (currently worth an estimated \$160 million) and the potential of Gentronix, with its continuous and pioneering product development, to secure a greater market share. NVM is also impressed with the professional management team led by John Nicholson (Chairman and CEO) with Richard Walmsley (Founder and Chief Scientific Officer), an accepted international expert in molecular genetics. Gentronix continues to work closely with

The University of Manchester, and NVM's investment in the company was coupled with further funding from Manchester Technology Fund and YFM, alongside some private investors.

Tim Levett from NVM who led the deal comments: "The early detection kits which Gentronix has developed address a critical lack of accuracy in the regulatory screening tests. Without this, the re-testing and development of a drug that is later thrown out is a time consuming and expensive business. We are delighted to be investing in Gentronix, helping them further develop screening kits and also manage the intellectual property of their cutting edge portfolio."

John Nicholson Chairman and CEO of Gentronix added: "Our initial product, *GreenScreen GC* is a fast and reliable screening method, providing robust detection of genotoxic carcinogens. We are also developing and marketing another screening product based on human cells, called *GreenScreen HC*, which with NVM's investment, we will be able to market effectively on a global basis not only to the pharmaceutical and biotech sectors, but also to cosmetic, environmental and fine chemical markets."

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NOTES TO EDITORS

NVM Private Equity Limited (NVM)

NVM is independently owned with over 20 years' experience of investing in UK businesses. Our managers live and work on the ground in regional business communities across the UK. NVM manages over £180m of funds and is a generalist investor specialising in making equity investments in UK unquoted companies. We consider opportunities requiring between £1m and £10m.