



**Press Release**

19 October 2009

**Successful Quarter for Rainbow Seed Fund  
Investment Portfolio Raises Over £22m**

The Rainbow Seed Fund, the Fund investing in early stage technology companies founded on cutting edge science at the leading publicly-funded research establishments, is pleased to announce that five of its investments raised over £22 million in total over the summer.

The Rainbow Seed Fund is a £10 million independently managed seed capital fund dedicated to investing in technologies from its publicly funded research base of 10 partners who collectively spend over £1bn on research annually. Set up in 2002, to date Rainbow Seed Fund has invested over £5m in helping to create 22 spin out companies which between them have raised well over £60m of additional capital, one of the highest leverage multiples in the sector.

Commenting on the co-investment raised in the last quarter by the RSF portfolio, Dr Andrew Muir, Investment Director at the Rainbow Seed Fund, said:

“Raising over £22m of capital in the current difficult financing environment is testament to the quality of the companies RSF has helped to start and to the importance of specialist seed capital in backing early stage technology companies.”

“Rainbow Seed Fund continues to support early new ventures, investing in the best technologies and helping to bring in experienced management.”

P2i Limited, the world leader in liquid-repellent nano-coating technology, which protects objects with a liquid-repelling shield, has raised £4.1 million from new and existing shareholders to support its accelerating commercialisation and international growth. Its revolutionary technology helps customers protect and improve a wide and growing range of products including performance textiles (such as hiking and military boots; running and golf shoes), hearing aids, laboratory consumables such as pipette tips, and a wide range of filtration products.

Microvisk Technologies, a company a micro-viscometer to enable improved measurement and monitoring of blood condition for the growing number of people on long term anti-coagulation therapy, has raised over £725,000 as the first stage of a fund-raising designed to take it through FDA approval and full launch in 2011/12. Early trials established superior performance when compared with the market leader, and the recent technical progress have strengthened the company's view that the technology is inherently more robust and reliable. The market is growing strongly following the decision in the US to extend reimbursement to patient home use, where the company's product is expected to score highly with patients due to its greater ease of use.

Novacta Biosystems Limited (“Novacta”), which is developing a portfolio of antibiotics, raised £13.1 million of funding to drive novel antibiotics platform addressing areas of major unmet need, including hospital acquired infections *C. difficile* and MRSA. Novacta is a UK-based company developing novel, naturally-derived products known as ‘lantibiotics’ as potential drugs. Lantibiotics have potent anti-infective properties but have historically been underexploited owing to a lack of research tools, a challenge that Novacta has successfully addressed through its proprietary technology platform. The most advanced programme will enter the clinic next year to treat infections caused by *Clostridium difficile* (“*C. difficile*”).

Crescendo Biologics Limited (“Crescendo”) has raised £4.5m in a seed-funding round to advance the development of its antibody technology. The company's fragment antibody technology platforms bring together highly innovative in vivo and in vitro technology platforms invented by scientists at the Babraham Institute, a Rainbow partner. Crescendo generates optimised human heavy chain fragments, the smallest

functional binding units of an antibody molecule. These fragments offer several advantages as starting points for the development of novel therapeutics. They can be administered topically as well as by injection, they are easy to manufacture and stable and they have the potential to target binding sites inaccessible to standard antibodies. The seed funding will allow Crescendo to advance the development of its platforms and to initiate the development of proprietary therapeutics.

- Ends -

**Images:**

Microvisk – Product  
P2i – Droplet

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**About The Rainbow Seed Fund**

The £10m Rainbow Seed Fund was established in 2002 with funding from the Office of Science and Innovation to commercialise scientific research in a leading group of the UK publicly funded institutions, our partners. The Fund, which is independently managed by Midven Ltd, made its first investment in 2002, and currently has a portfolio of 22 companies with one exit.

The Fund invests at the earliest stages of a technology's development, and helps to turn an idea into a business by actively identifying and supporting experienced management and facilitating additional co-investment. Rainbow's partners spend over £1 billion on research and development every year giving the Fund privileged access to high quality investment propositions at the earliest stage.

**About P2i Ltd**

P2i is the world leader in liquid repellent nano-coating technology. They make good products great by applying innovative science. Their revolutionary technology enables customers to improve the performance of their products and protect them from the effects of water and all other liquids. This builds value by commanding premium prices and/or reducing costs.

P2i Ltd was established in 2004 to commercialise liquid-repellent treatments developed by the UK's Ministry of Defence. Now on a commercial scale, P2i's patented process has been successfully applied to a wide range of products in a wide range of markets including performance textiles, filtration media and bio-consumables. In consumer sectors the presence of P2i's technology is indicated by its consumer brand, ion-mask™, now available in premium products from Hi-Tec, MAGNUM, Ecco and more.

**About Microvisk Technologies**

There are many people who suffer from coagulation (Blood Clotting) disorders and the Microvisk Technology is designed to carry out Prothrombin Time Assays and provide patients and clinicians with INR Values to assist in the correct dosage of Anti-Coagulation Medication such as Warfarin. The technology will be available as a Point-of-Care and a Home Use Test improving the management and ease of testing to monitor Warfarin Treatment.

**About Novacta Biosystems Limited**

Novacta is a UK-based biotechnology company that specialises in the discovery and development of potential treatments for infectious diseases. Novacta's lead programmes are centred around a class of small peptide molecules called lantibiotics, a drug class that, until now, has been underexploited due to the lack of adequate research tools.

Novacta's lantibiotic platform has given rise to a number of potential drug candidates, including those in the *C. difficile* programme. Other programmes include one targeting methicillin-resistant *Staphylococcus aureus* (MRSA) infection and others targeting Gramnegative infections. For further information, please visit our website at [www.novactabio.com](http://www.novactabio.com).

**About Crescendo Biologics Ltd**

Crescendo Biologics will apply highly innovative antibody fragment technologies to the development of new targeted therapeutics. The Crescendo transgenic mouse platform under development has the potential to rapidly and predictably generate high-affinity human heavy chain antibodies that readily yield VH fragments that have no requirement for humanisation. This is combined with a powerful in vitro ribosome display technology which offers significant advantages over existing approaches in antibody optimisation. VH fragments provide great flexibility as a starting point for the development of new targeted therapeutics combining the specificity and binding affinity of antibodies with certain desirable characteristics of small molecules.

Crescendos technologies were invented by scientists at the Babraham Institute, Cambridge (UK). The Company has raised GBP4.5 million in seed funding from leading life sciences investors, Sofinnova Partners and the Rainbow Seed Fund, with Aitua and Avlar BioVentures also participating. <http://www.crescendobiologics.com>