

SECTOR

Healthcare

DATE COMPLETED

March 2009

TRANSACTION TYPE

Development Capital

DEAL SIZE

£2 million

INVESTMENT

£2 million

WEBSITE

www.etherapeutics.co.uk

**FOR FURTHER INFORMATION
ON THIS TRANSACTION,
PLEASE CONTACT:**

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OCTOPUS VENTURES

THE COMPANY

Based in Newcastle, UK, e-Therapeutics is a pioneering drug discovery and development company that uses its own computational systems to swiftly and accurately predict how medicines interact with cells in the body. This technology enables it to assess drug candidates for high efficacy and safety ahead of clinical trials, dramatically reducing the time between drug discovery and market applicability and reducing the associated risks. Its activities focus on three core areas: discovery of new de-risked drugs; discovering novel uses for existing drugs; and analysis of the interactions between different drugs. Octopus Ventures and the Octopus Investor Group first invested in e-Therapeutics in 2007 and the company is now listed on the Alternative Investment Market (AIM).

INVESTMENT

- Octopus Ventures made an investment in March 2009, comprising funds from Octopus Titan VCT 1 & 2, Titan VCT 3, Eureka and the Octopus Investor Group. The investment was in the form of both equity and loan stock.
- The funds will enable the company to continue with the development of its pipeline of existing and forthcoming drug candidates, and identify quality companies and/or drug candidates for acquisition.

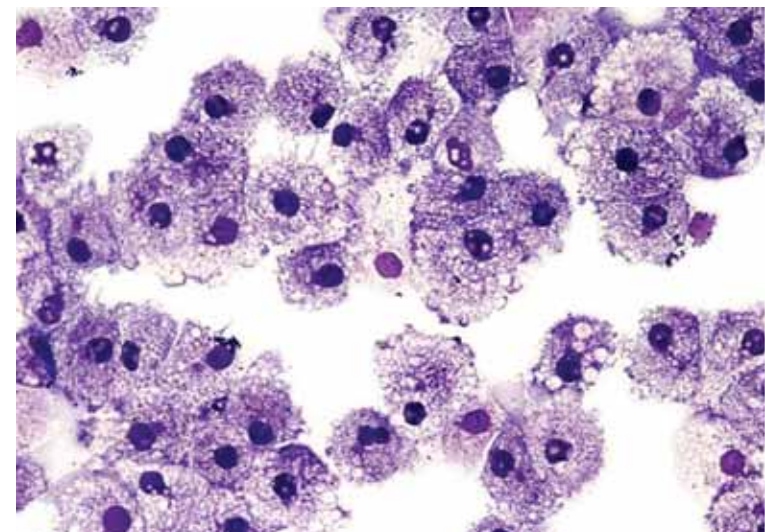
STRATEGY

- The strength of the management team, the solid scientific principles behind the technology and the positive results of completed drug trials made a very convincing proposal for investment.
- The company aims to address two key areas: internal development in selected therapeutic categories and consultative/development projects for third parties.

OCTOPUS VENTURES

The Octopus Ventures team was formed in 2000 by a group of successful entrepreneurs and businessmen in order to provide both capital and business expertise to small, fast-growing companies. The Octopus Ventures team manages the Octopus Investor Group which invests alongside the Titan VCTs (established by Octopus Investments in 2007). The team has extensive business experience, with professional backgrounds ranging from investment banking, through sales and marketing, to business management. The combined skill and experience of the team, together with the Investor Group, offers a strong competitive advantage in the marketplace.

If you have any investment opportunities you would like to discuss with us, please contact our investment team on **020 7710 6459**.



“We are delighted to be continuing our relationship with Malcolm and the rest of his team at what promises to be an exciting time of growth and expansion. Their proprietary drug discovery techniques have the unique advantage of being able to identify effective and safe drug candidates ahead of clinical trials, thereby increasing the speed to market of various treatments that will play a vital role in the fight against a number of high profile diseases including asthma, cancer and MRSA.”

Alex Macpherson, Chief Executive, Octopus Ventures

“We are extremely pleased that Octopus is continuing to support our growth strategy. Since its initial investment in 2007, the access to advice, expertise and relevant industry contacts provided by Octopus has proved invaluable and has helped to facilitate the rapid progress we have made over the last couple of years.”

Professor Malcolm Young, Chief Executive, e-Therapeutics plc