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John Innes Centre spin-out Procarta Biosystems Ltd secures major new investment to continue development of novel antibiotics

Procarta Biosystems Ltd, which is developing a novel class of DNA-based antibiotics capable of tackling drug-resistant infections, announced today a round of equity investment totaling £730,000 with the potential to rise to £1.25 million. Procarta was established in 2007 by founders Dr Michael McArthur and Professor Mervyn Bibb of the John Innes Centre (Norwich, UK) with support of PBL, the technology transfer company of John Innes Centre. The round was led by Morningside Venture Investments Limited and included Procarta's current investors, Rainbow Seed Fund and Icení Seedcorn Fund.

Procarta's discovery initiatives target next generation of antibiotics to tackle the rising threat of superbugs. Procarta's flexible approach allows rapid development of drug candidates against challenging infections for which there are few therapeutic options. This raise will be applied to progress Procarta's anti-MRSA lead compound and deepen the company's already extensive pipeline, with particular emphasis on new therapeutics active against Gram-negative strains, such as *Pseudomonas aeruginosa* - a common complication associated with people with Cystic Fibrosis.

Dr Michael McArthur, Procarta's scientific co-founder and CSO, commented: "Coming on the back of positive scientific results, this raise validates the Procarta's platform's promise to cope with the emerging threat of antibiotic resistance. We are thrilled to see this capital infusion which will allow us to drive all of our programmes forward and build on the early-stage interest expressed by major pharmaceutical companies."

"Morningside is pleased to support the development of Procarta's innovative platform to help combat bacterial infections such as MRSA and Gram-negative infections," commented Dr. Isaac Cheng of Morningside. "The company has the potential to significantly beneficially impact one of the most serious public health challenges facing the world today- the rise of antibiotic resistance."

In conjunction with this investment, the company is strengthening its Board by appointing two investor Directors designated by Morningside and Rainbow alongside Dr David Knowles as the Chairman. David is internationally renowned as a pioneer of antibacterial research and a successful developer of therapeutics. David comes to Procarta with twenty years' experience in senior positions in major international pharmaceutical companies, including SmithKline Beecham, where he was Director of Molecular Biology. For the past ten years he has acted as CSO/R&D Director for several companies in the biotech sector in the UK (RiboTargets plc., British Biotech plc., Piramed Ltd, CellCentric) as well as advising other biotechs and Private Equity Funds in the UK, US, Europe and Asia.

“I am delighted that Procarta has secured this funding. The company’s elegant therapeutic platform is potentially applicable to a wide range of bacterial diseases and Procarta can now advance its portfolio of much-needed anti-bacterials,” said Dr Knowles.

Mark White of Rainbow commented: “The fund-raising environment for early stage biotech is extremely difficult and we are delighted to have secured funding from a supportive investor such as Morningside. We have been highly impressed with the progress made so far by Michael McArthur and his team and we are delighted at his recent recognition as the Most Promising Innovator of the Year at the National BBSRC Innovator of the Year awards.”

Notes for Editors:

Procarta Biosystems Limited (www.procartabio.com) is a company formed by The John Innes Centre, Plant Bioscience Limited (PBL) and the founding scientists Dr Michael McArthur and Professor Mervyn Bibb. It previously received £320 000 funding from Icení Seedcorn fund and the Rainbow Seed Fund and began operations in July 2007. It is currently headquartered in the Norwich Bioincubator.

Morningside (www.Morningside.com) is a diversified investment group founded in 1986 by the Chan family of Hong Kong. The Chan family founded the Hang Lung Group in Hong Kong in 1960. Morningside is engaged primarily in private equity and venture capital investments. The group has investments in North America, Europe, across Asia-Pacific, and since 1992, in Mainland China. Morningside was one of the earliest institutional investors in China's internet industry and in recent years has been a leader in China's emerging biotechnology sector.

PBL (Plant Bioscience Limited www.pbltechnology.com) is the technology transfer company of the John Innes Centre and is equally owned by The John Innes Centre, The Sainsbury Laboratory and The Biotechnology and Biological Sciences Research Council (BBSRC www.bbsrc.ac.uk). As well as managing innovations from John Innes Centre, PBL also handles technologies from public sector research organisations around the world.

The **John Innes Centre**, www.jic.ac.uk, is an independent, world-leading research centre in plant and microbial sciences with over 500 staff. JIC is based on Norwich Research Park and carries out high quality fundamental, strategic and applied research to understand how plants and microbes work at the molecular, cellular and genetic levels. The JIC also trains scientists and students, collaborates with many other research laboratories and communicates its science to end-users and the general public. The JIC is grant-aided by the Biotechnology and Biological Sciences Research Council.