

Media Release
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\$10million for Pathway cancer drugs

Pathway Therapeutics Limited, a New Zealand drug development company focused on cell signalling, has raised A\$10 million (US\$9.6 million) in Series A finance.

The new funding will be used to develop Pathway's intellectual property portfolio, hire research staff and take potential anticancer therapeutics through to preclinical and clinical trials. The finance was raised through a syndicate jointly led by CM Capital Investments and GBS Venture Partners, Australia.

Pathway's current drug development programme focuses on novel therapies developed at the Maurice Wilkins Centre at The University of Auckland. These are based on inhibitors of PI3 kinase, an enzyme involved in controlling cell growth and migration, and of particular interest as a potential cancer therapeutic target. Pathway is a spin off from Auckland UniServices, the commercialisation arm of The University of Auckland, and is based on the work of research groups led by Professors Bill Denny and Peter Shepherd, world leaders in the field of cancer therapeutics and cell signalling.

"Many tumours have higher than normal or mutated forms of PI3 kinase, and our research has led to the discovery of novel classes of compounds which inhibit the enzyme and have potential as anticancer therapeutics," says Professor Denny. "This funding will be used initially to take these new compounds through preclinical development and enable clinical trials in humans, building on the strong track record of successful discovery of new cancer drugs at the Auckland Cancer Society's Research Centre of The University of Auckland."

"The drugs being developed result from many years of basic research to understand the circuitry that control cells and what parts of this process go wrong in cancer," says Professor Shepherd. "Pathway is a company with the potential to provide a new treatment for people with cancer, in a new and very rapidly-developing area. It is only by investing in such research that we are able to identify where to target drugs that could treat diseases like cancer."

Dr Josh Funder of GBS Ventures and Pathway Director says, "Pathway Therapeutics is yet another example of New Zealand leading scientific research and opportunity for New Zealand to continue to build a successful drug development industry."

Dr Mark Harvey, of CM Capital and Pathway Director comments, "We are focused on helping talented entrepreneurs build great life science technology companies. We are impressed by the people and capabilities in The University of Auckland".

"We are delighted at the investment from two internationally regarded venture capital investors in the technology invented at the University," says Dr Peter Lee, CEO of UniServices. "The ongoing development of Pathway Therapeutics has the potential to deliver very significant benefits via ongoing research contracts and equity return."

Funding for the Company's science programme to date has been provided by the Health Research Council of New Zealand and the Maurice Wilkins Centre.

Pathway Therapeutics Limited is a New Zealand drug development company, which focuses on cell signalling to develop novel therapeutics against human disease. Its portfolio includes anticancer drugs targeting PI3 kinase, an enzyme identified as active in cancer tumour development. The Company is incorporated in New Zealand, with operations in Auckland and Melbourne, Australia.

Auckland UniServices Limited commercialises intellectual property and creates new businesses based on the expertise of The University of Auckland. UniServices' ability to combine academic creativity with commercial rigour has resulted in more than 20 spinout organisations worth more than NZ\$500 million.

GBS Ventures is Australia's largest specialist life science venture capital investment group. GBS manages specialist funds from seed through to expansion stage in the life sciences sector, and has more than AU\$300 million under management. The GBS team has been investing in Australasia since 1996 and played founding roles in companies with a combined market capitalisation of more than \$1 billion. For more information, please visit www.gbsventures.com.au.

CM Capital Investments is one of Australia's leading Venture Capital companies focussed in investing in early-stage stage life sciences and telecommunications/IT companies. CM Capital was founded in 2007 and currently has \$270 million under management. For more information, please visit www.cmcapital.com.

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Notes to the Editor

The Company's science is based on the work of research groups led by Professor Bill Denny and Peter Shepherd of The University of Auckland, New Zealand. Professor Denny is Director of the Auckland Cancer Society Research Centre and has 20 years experience in developing small molecule cancer therapeutics. He has been involved in the development of eight cancer drugs to clinical trial, and is a founding scientist of biopharmaceutical company Proacta. Professor Shepherd is an expert in cell signal transduction pathways, and is the founding scientist of Symansis, a company which develops novel tools for drug discovery. Both are Principal Investigators at the Maurice Wilkins Centre, a New Zealand government funded Centre of Research Excellence, hosted by The University of Auckland.