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CRT and The EIF unveil innovative £50M cancer fund to bridge 'development gap' in UK

Cancer Research Technology (CRT), Cancer Research UK's commercial arm, and the European Investment Fund (EIF) have joined together to create a £50M investment fund to bridge the funding gap in the UK between cancer drug discovery and early development.

The CRT Pioneer Fund will seamlessly take potential cancer drugs from discovery through to entry to Phase II clinical trials. It is a bold step to fund the most innovative oncology research and to plug a large gap in the UK funding of drug discovery.

CRT and the EIF will make equal contributions to the CRT Pioneer Fund. The fund has launched with a first close of £25M which may be doubled by the founders to reach the total £50M.

Dr Keith Blundy, CEO of Cancer Research Technology, said: "The creation of this landmark fund addresses the problem of funding the development gap which is restraining cancer drug development in the UK.

"The gap has appeared because investment from industry has moved away from early stage discovery and there's less funding for small biotechnology firms who previously helped bridge the gap between academia and pharmaceutical companies.

"This important investment means we can take forward the most innovative approaches using our in-house drug discovery and development capabilities, to progress promising treatments from the lab all the way to clinical trials, translating our world-class scientific research into new treatments more quickly."

Richard Pelly, EIF Chief Executive, said: "This investment targets a stage of the investment spectrum often neglected by the market. The CRT Pioneer Fund will be capital efficient and primarily follow a licensing model rather than creating companies.

"Both Cancer Research UK and CRT are world leaders in discovering, developing and commercialising cancer treatments, for which there remains a high unmet need, and through their network are able to access excellent research. The EIF is therefore delighted to be partnering with CRT and this investment now becomes the largest technology transfer operation partnered by EIF to-date. It illustrates EIF's commitment to supporting innovation and research in Europe."

Minister for Universities and Science, David Willetts, said: "In our Strategy for UK Life Sciences we set out ambitious plans to build on the success of the industry by fostering collaboration between our excellent research base and businesses. This initiative from Cancer Research Technology and the European Investment Fund will complement this work extremely well, helping to take our world-leading science from the laboratory through to benefits for patients and the economy."

CRT and EIF have worked closely with a specialist fund management firm, Sixth Element Capital LLP (6EC), to create and implement the fund. 6EC will establish committees of independent experts to provide guidance on the investment and commercialisation of individual projects. International law firm Reed Smith acted as sole legal counsel on the establishment of the fund.

At least two thirds of the fund will be used to develop the most exciting scientific discoveries made by Cancer Research UK scientists. This may include projects within CRT's Discovery Laboratories, the Institute of Cancer Research's Cancer Therapeutics Unit, Cancer Research UK's Paterson and Beatson Institutes, and Newcastle University. The remaining projects may come from other academic groups or industry in the UK. CRT will re-invest its share of any profits derived from the fund in Cancer Research UK's life-saving research.

Dr Harpal Kumar, Cancer Research UK's CEO, said: "This vital investment will nurture world-class innovation in drug development to bring potential new treatments to patients as quickly as possible.

"Our scientists and doctors have contributed to most of the world's top cancer drugs, such as temozolomide, used worldwide to treat people with the most aggressive type of brain tumour. And through our research, we've contributed to the discovery or development of nearly 50 drugs now being tested in clinical trials. These drugs could also save many thousands of lives in the future.

"This new CRT Pioneer Fund will enable us to build on the progress already made and provide a stepping stone to producing the cancer drugs of the future."

ENDS

Notes to editors

About EIF

EIF's central mission is to support Europe's micro, small and medium sized enterprises by helping them to access finance. EIF designs and develops venture and growth capital and guarantees instruments which specifically target this market segment. EIF has a crucial role to play throughout the value chain of enterprise creation, from the earliest stages of intellectual property development

to mid and later stages SMEs. EIF fosters EU objectives in support of innovation, research and regional development, entrepreneurship, growth, and employment. At end 2011, EIF had committed EUR 6bn in over 370 venture and growth capital funds.

For further information please contact Joëlle Harvey (Communications), j.harvey@eif.org or Dr Piyush Unalkat (Principal – Transaction and Relationship Management), p.unalkat@eif.org

www.eif.org

About Sixth Element Capital LLP

Sixth Element Capital is a newly established fund manager, authorised and regulated by the Financial Services Authority. The partnership is managed by Dr Robert James, Ian Miscampbell and Ralph Villiger, each of whom is highly experienced in the financing and commercialisation of research and development projects. Further information can be found on their web site www.sixthelementcapital.com. For further information please visit www.sixthelementcapital.com or contact Jeyda Star on +44 (0)20 3116 2571

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