



## **NEWS RELEASE**

**30<sup>th</sup> March 2015**

### **Azellon to lead Innovate UK funded development project after conclusion of new funding round**

Azellon Ltd, (“Azellon”), the developer of a stem cell therapy for the repair of torn meniscal cartilage, today announced it has successfully completed a £0.55 million financing round to compliment the award of a £2 million grant from Innovate UK.

The funding round, led by Mr Hugh Osmond, includes existing investors IP Group plc, Oxford Technology Enterprise Capital Fund and Edward Whitley, a prominent business angel.

The project, supported by a multi-partner grant from Innovate UK, is to develop an allogeneic version of Cell Bandage, the autologous stem cell therapy that Azellon first took into the clinic in 2012. The three year programme will involve four partners, Azellon will be working with the Institute of Investigative Biology at the University of Liverpool, NHS Blood and Transplant, and the Cell Therapy Catapult.

More than three quarters of a million patients suffer meniscal tears every year in Europe with a similar number in the US. Current treatment is surgical removal of the damaged meniscus which leads to reduced knee function and an increased risk of osteoarthritis in the injured knee. The Azellon Cell Bandage has been designed as an alternative to surgical removal that will repair the damaged tissue and restore full knee function.

Azellon is a spin-out company from the University of Bristol that was co-founded by Professor Anthony Hollander. Professor Hollander has recently moved to head up the Institute of Integrative Biology at the University of Liverpool.

Professor Hollander, who also serves as Chief Scientific Officer of Azellon, said: “We are grateful for the support from our investors and the grant from Innovate UK. The Cell



bandage offers the exciting prospect of improving the treatment of meniscal tears. As a company, we are committed to using the financial support we have received to take the next important steps in our commercialisation strategy.”

**For more information, please contact:**

**Azellon**

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**ENDS**

## Background information

### About Azellon

Azellon is a spin-out company from the University of Bristol that was co-founded by Professor Anthony Hollander and is backed by a syndicate of investors including IP Group plc, Oxford Technology Management, Wyvern Seed Fund and Hugh Osmond.

Professor Hollander came to national prominence as part of the academic team that saved the life of Claudia Castillo, after developing the first tissue-engineered trachea (windpipe) using the patient's own stem cells. This fully functioning airway was transplanted into the patient and saved her life.

Azellon's focus is on developing stem cell therapy for the repair of avascular meniscal tears. Azellon has received grant support from the Wellcome Trust and Innovate UK.

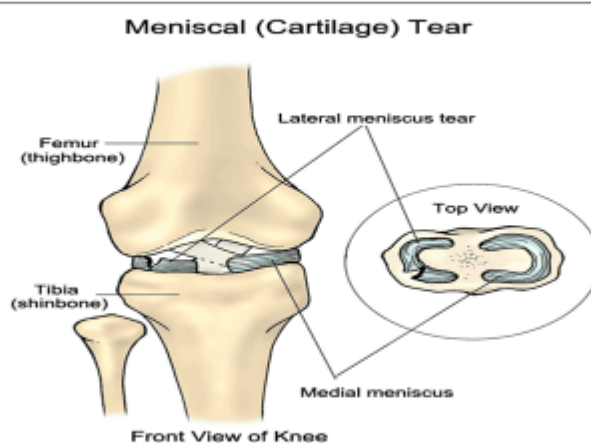
For more information, please visit [www.azellonctx.com](http://www.azellonctx.com)

### About the meniscal cartilage

Each knee has 2 menisci (medial and lateral) and they sit in between the articular cartilage surfaces found at the ends of the upper and lower leg bones.



## Anatomy of the knee

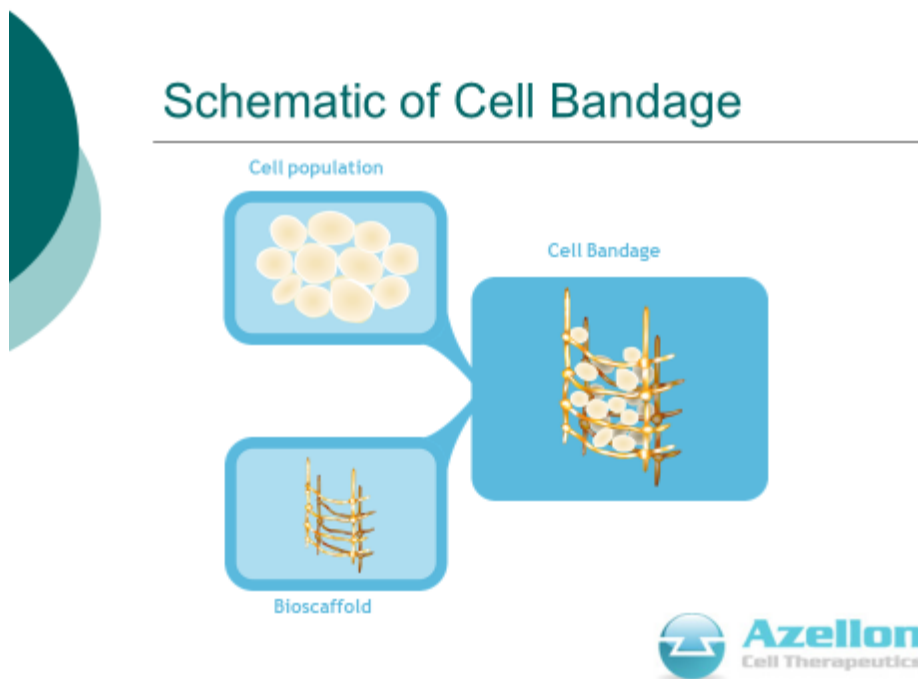


The outer third of the meniscus is vascularised (the “red zone”) and the remaining two-thirds is avascular (the “white zone”). Tears to the meniscus are a common injury caused by excessive twisting force to the knee. Red zone tears can sometimes be treated using sutures or fixation devices because the blood supply will provide an influx of stem cells

into the suture site, leading to endogenous repair. There are no equivalent products on the market for repair of white zone tears because suturing will not work in the absence of a source of stem cells. Current standard of care for white zone tears requires surgical removal of the damaged tissue (meniscectomy). This compromises knee function and leads to associated clinical consequences such as osteoarthritis and knee replacement surgery and a negative impact on quality of life.

### About Cell Bandage

Cell Bandage is a completely novel approach that offers a method of repairing meniscal tears as an alternative to meniscectomy. It is the only product designed to deliver and hold stem cells *in situ* and allow them to infuse into the site of healing. Cell Bandage uses undifferentiated mesenchymal stem cells expanded under GMP conditions and in-seeding into a biodegradable scaffold.



The Cell Bandage is surgically inserted into the tear where it is fixed by suture. The stem cells induce migration between the implant and the original tissue leading to bridging or welding of the tear. This is expected to lead to strong and long term repair without removing any tissue and thus avoiding the osteoarthritic changes in knee joints and subsequent further surgery.

## Cell Bandage mode of action

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