



Press Release: 2nd December 2014

Scottish synthetic Bone Graft company secures \$4.8m funding

SIRAKOSS, an innovative medical device company based in Edinburgh and Aberdeen today announced it has secured \$4.8m (£3.1m) in Series-A financing from a syndicate of investors led by Epidarex Capital.

Synthetic bone grafts are used in trauma, spinal and dental surgery to fuse bones together to correct congenital or degenerative conditions (such as curvature of the spine) or following a traumatic injury where the bone fails to heal.

The alternative approach against which all other options are measured is autograft - this is where healthy bone is harvested from the patient's hip and replanted at the defect site. The amount of bone that is available for grafting is limited, particularly in children, and requires two invasive operative procedures, increasing the risk for the patient and the cost for the hospital. Other alternatives have seen products derived from cadaver bone harvested at the morgue, but these can be inconsistent in their performance.

The SIRAKOSS MaxSi™ Graft range of products is entirely synthetic, containing no animal or human tissue and can be manufactured in consistent, high quality batches. Screening studies with the MaxSi™ Graft products from SIRAKOSS demonstrate rapid, controlled bone formation at very early time points, indicative of early patient recovery. Surgeons' feedback on performance data and handling properties of the SIRAKOSS material, when compared to existing products, has been very encouraging.

Other syndicate members include the Scottish Investment Bank, the investment arm of Scottish Enterprise, and the London-based Worshipful Company of Armourers & Brasiers plus existing shareholders. This equity investment also secures a further £940,000 Biomedical Catalyst award from Innovate UK (formerly known as the Technology Strategy Board), which was previously awarded to SIRAKOSS in a competitive funding programme and was subject to matching investment.

Brian Butchart, CEO of SIRAKOSS commented, "We are delighted to have closed this investment with Epidarex Capital as this validates the company's belief in its outstanding and highly differentiated synthetic bone graft technology and the clearly defined commercial opportunity that this represents within a \$2.5bn global market. This investment will enable SIRAKOSS to complete product development and to implement its regulatory strategy for both the European and US markets".

Sinclair Dunlop, Managing Partner at Epidarex Capital stated "Epidarex is delighted to be leading the current financing of SIRAKOSS. The company's core technology offers several novel and potentially disruptive applications in the global synthetic bone graft market. We are very excited about the company's prospects".

Professor Bill Bonfield, chairman of the Armourers & Brasiers Venture Prize panel said, "We were hugely impressed with the SIRAKOSS technology which can offer surgeons a materials science alternative to pharmacological products for obtaining rapid bone repair and fusion. The company has also recognised the importance of melding both scientific and commercial

skills sets. The SIRAKOSS technology has the potential to benefit thousands of people each year and it also fits well with our aim to encourage innovative scientific entrepreneurship in the UK.”

Eleanor Mitchell, Director of Commercialisation, Scottish Enterprise, said “Congratulations to SIRAKOSS for securing this investment deal, allowing it to further realise its ambitious scaling plans both in Europe and the USA. Scottish Enterprise has assisted throughout the journey with an integrated package of support, including early proof of concept activities at the University of Aberdeen, and later the company with SMART: SCOTLAND grant support for feasibility testing, assistance in scaling up in global markets and most recently, investment via the Scottish Investment Bank. Scottish Enterprise works closely with Epidarex and views this fund as a key asset to Scotland’s life sciences companies therefore we are delighted that they will be supporting the growth of SIRAKOSS.”

Notes to Editors:

SIRAKOSS was formed to October 2010 and following commercial validation the technology was spun out of the University of Aberdeen in May 2011. The company successfully completed proof of concept in 2012 and raised Seed Fund investment in 2013.

Worldwide, surgeons perform thousands of bone fusion procedures every day, in each case seeking to correct a defect, reduce pain and improve the quality of life for the patient.

Prof. Bill Bonfield was the founder of Apatech Ltd, a synthetic bone graft company that in 2010 exited in a \$330m trade sale to Baxter International

Epidarex Capital is a dedicated life science venture capital fund with a presence both in the UK and US markets. In 2013 Epidarex announced its latest fund focused on early stage life science companies. www.epidarex.com

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