

REPROCELL ACQUIRES BIOPTA TO EXPAND ITS DRUG DISCOVERY SERVICES

Location: REPROCELL Inc. (Yokohama, Japan)
Date: November 24, 2015

The Japanese regenerative medicine company REPROCELL Inc. has announced the acquisition of the Scottish life sciences company, Biopta. The acquisition of Biopta and its US subsidiary, Biopta Inc. is expected to complete on the 10th of December and is aimed at strengthening REPROCELL's pharmaceutical industry-targeted drug discovery services. The acquisition will also see an immediate investment to expand Biopta's range of contract research services. Biopta, which will continue to operate from its headquarters in Glasgow, aims to grow its workforce to 30 over the next three years and Biopta's management views the synergies within the REPROCELL Group of companies as key to its growth ambitions. Dr David Bunton, Biopta's co-founder and CEO said, "The acquisition by REPROCELL is a great opportunity to build on the solid platform we have in outsourced drug discovery services. Scotland is known for the quality of its scientists and customer service and ReproCELL's investment recognizes these strengths. We have had a close partnership with BioServe, another REPROCELL Group company, for the past five years, which has helped us establish a very successful US subsidiary. We see the acquisition as the natural next step in the growth of the UK and US businesses."

REPROCELL, a leader in the field of stem cells and regenerative medicine, was established in 2003 with the goal of contributing to people's health and welfare through the development of stem cell technologies. Many of REPROCELL's technologies were developed by the stem cell pioneers, Prof. Norio Nakatsuji from the Institute for Integrated Cell-Material Sciences, Kyoto University, and Prof. Hiromitsu Nakauchi from The Institute of Medical Sciences, The University of Tokyo. REPROCELL's CEO, Dr Chikafumi Yokoyama said of the acquisition, "This will allow our company to increase our market share by expanding our lineup of drug discovery support products aimed at the pharmaceutical industry and accelerate the development of ReproCELL's new products and services."

Biopta was spun out of Glasgow Caledonian University in 2002 by its co-founders, Dr David Bunton, its CEO, and Professor Chris Hillier, with the aim of addressing the high failure rate of drugs during clinical trials through the use of ethically-sourced human tissues. The use of human tissues is considered more predictive of human responses to medicines than animal experiments and is part of a growing move by the pharmaceutical industry towards "non-animal alternatives". Moreover, the advent of "precision medicine", which aims to deliver the "right drug, at the right dose, to the right patient", necessitates the use of human tissue-based experiments of the type offered by Biopta, which reflect the diversity of the patient population.

Biopta has developed a network of clinical partners in the UK and USA which provide human tissue samples for its research into diseases such as asthma, Crohn's disease and psoriasis. Biopta counts eight of the top ten pharmaceutical companies among its clients and has worked on over 500 potential new medicines. Biopta's Finance Director, Elaine Ferguson, says the cost savings for the pharmaceutical industry of improved drug selection are considerable, "the cost of each clinical failure has now become so high that most pharmaceutical companies are focusing on better preclinical selection of drugs, with a "fail fast, fail early" approach. Biopta's methods are just as valuable in identifying which drugs won't work in patients, as they are in identifying the next blockbuster drug".

Biopta's management attributes close working partnerships with the NHS and Scottish Enterprise as key factors in its success. Biopta's Chairman, Dr Kevin Moore OBE said, "Scotland is probably the only place where a company such as Biopta could have evolved, due to the unique combination of angel investment from groups such as Braveheart and Tri Capital, the availability of skilled pharmacology graduates, collaboration with the NHS and co-investment support via Scottish Enterprise." The deal will see REPROCELL acquire 100% of Biopta, which has received investment from Braveheart Investment Group, TriCapital, the Scottish Investment Bank, the investment arm of Scottish Enterprise and individual investors.

Kerry Sharp, Head of the Scottish Investment Bank said, "We have provided investment support to Biopta over a number of years and it's heartening to see that this ambitious Scottish company with its world-leading capabilities has proven to be a compelling proposition for international investors.

"The acquisition by REPROCELL will see Biopta continue its growth within a larger organisation with clear synergies and complementary offerings, while retaining its base and employment in Scotland."

Information about Biopta can be found at: www.biopta.com

Information about REPROCELL can be found at: www.reprocell.com

Information about Braveheart Investment Group can be found at: www.braveheartgroup.co.uk

Information about Tri Capital can be found at: www.tricapital.co.uk

Information about the Scottish Investment Bank:

The Scottish Investment Bank (SIB) is the investment arm of Scotland's main economic development agency, Scottish Enterprise, operating Scotland-wide in partnership with Highlands and Islands Enterprise. It manages a suite of co-investment funds including the Scottish Co-investment Fund and the Scottish Venture Fund, which are partly funded by the European Regional Development Fund (ERDF), Renewable Energy Investment Fund and the Scottish Recycling Fund. SIB is the cornerstone investor in the privately-managed Scottish Loan Fund, managed by Maven Capital Partners and an investor in Epidarex Capital's life sciences fund.

Our investment funds support Scotland's SME funding market to ensure businesses with growth and export potential have adequate access to growth capital. We also provide a team of Financial Readiness specialists to help companies prepare for new investment and access appropriate finance.

Information about Glasgow Caledonian University can be found at: www.gcu.ac.uk

About REPROCELL — Headquartered in Yokohama (Japan), REPROCELL is an integrated research and medical company. Serving the global market, the REPROCELL Discovery business unit is focused on providing drug discovery services and products including human tissues and cutting-edge iPS stem cell technologies. Leveraging this history and strength, the REPROCELL Medical business unit (*formed 2017*) is pioneering stem cell-based applications for regenerative medicine therapies and human diagnostics. REPROCELL (www.reprocell.com) is a public company traded on the JASDAQ market. For more information on this press release contact your regional REPROCELL office (phone numbers and e-mails provided on the website listed above).

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