

Company Epistem Plc TIDM EHP.L (AIM)

Headline EPISTEM RECEIVES A PRESTIGIOUS FP7 GRANT AWARD FOR THE DEVELOPMENT OF POINT OF

CARE HEPATITIS C ASSAYS

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Epistem Plc

("Epistem" or "the Company")

EPISTEM RECEIVES A PRESTIGIOUS FP7 GRANT AWARD FOR THE DEVELOPMENT OF POINT OF CARE HEPATITIS C ASSAYS

MANCHESTER, UNITED KINGDOM - Epistem plc (LSE:EHP), the UK biotechnology and personalised medicine company, is pleased to announce that it has been awarded funding of €1.5 million over a three year period by the European Commission's 7th Framework Programme as part of a €6.0 million consortium project (Grant n° 601851) for the development of Point of Care Hepatitis C assays. The PoC-HCV consortium additionally consists of the coordinator Inserm (Institut Pasteur) (France), Inserm Transfert (France), Qlucore (Sweden) and Biosurfit (Portugal).

The primary objective of the PoC-HCV consortium is to provide PoC diagnostic and predictive tests that enable tangible improvements in the health and quality of life of chronic Hepatitis C patients, while simultaneously helping to manage the rising cost of medical treatment. It is an approach that capitalises on the consortiums combined expertise spanning leading edge miniaturised molecular testing, lab-on-a-chip systems and treatment algorithm design. These enabling technologies will permit the development and delivery of the first integrated genetic and protein biomarker tests, applied here to Hepatitis C disease for: (i) making the decision to treat; (ii) selection of therapy; (iii) response-guided monitoring; and (iv) clinical research practices.

Epistem will develop a number of tests on Genedrive[®] our hand-held CE-IVD marked PCR platform that provides rapid genotype tests results. The assays which Epistem will develop include tests to detect and genotype the HCV virus, ascertain the IL-28b genotype of HepC infected patients to aid in the selection of patients who will respond to treatment with pegylated-interferon / ribavirin therapy and develop HepC viral load tests to monitor patient treatments.

Commenting on the successful Grant Application, Matthew Walls, CEO said "This support from the European Union will enable us to accelerate the development of a new range of affordable diagnostic and predictive tests that that will assist in the rapid and appropriate treatment of patients suffering with Hepatitis C in developed and under-developed countries. It also enables us to work together with internationally recognised leaders in HepC research and other leading SME's to develop tests that are highly sensitive and can be used in Point of Care settings."



For further information contact:

Epistem Plc

Matthew Walls, Chief Executive Officer
John Rylands, Chief Financial Officer

++44 161 606 7258

Peel Hunt LLP

Nominated Adviser: James Steel/Vijay Barathan ++44 207 418 8900

Walbrook

Mike Wort/Anna Dunphy ++44 207 933 8780

Notes for editors

Epistem is a biotechnology company commercialising its expertise in stem cells in the areas of epithelial (oncology, gastrointestinal and dermatological) and infectious diseases. Epistem develops innovative therapeutics, biomarkers and diagnostics (Genedrive®) alongside contract research services to drug development companies. The Group's core expertise is focused around the regulation of adult stem cells located in epithelial tissue including the gastrointestinal tract, skin, hair follicles, breast and prostate and utilizing novel and proprietary next generation molecular biology.

Epistem operates three distinct divisions, Contract Research Services, Novel Therapies and Personalised Medicine (Biomarkers and Diagnostics).

Biomarkers and Personalised Medicine

The Personalised Medicine Division provides services to drug development companies in gene expression (mRNA/miRNA) or DNA genotype analysis.

For RNA analysis, Epistem utilises its proprietary RNA-Amp™ biomarker platform. RNA-Amp is a highly sensitive cDNA amplification technique for gene expression analysis of tissue biopsies, blood, plucked scalp hair, skin and laser captured microdissected (LCM) samples to measure drug-induced gene expression changes. Epistem's knowledge of epithelial cells and the ability to obtain gene expression information from small starting materials enables the group to be a preferred partner of choice for Pharmaceutical and Biotechnology companies in providing biomarker information to support drug development programmes.

For DNA genotype analysis, Epistem utilizes its proprietary Point of Care platform, Genedrive®. Genedrive® provides a major advance in next generation molecular diagnostic testing by providing a rapid (as little as 30 minute), low cost, simple to use 'Point of Care' device with high sensitivity. Genedrive® has applications across a wide range of areas including bacterial, viral and fungal identification as well as germline and somatic genotype analysis. Genedrive® has been CE-IVD marked for the identification of *Mycobacterium tuberculosis* and antibiotic resistance testing.