



FUSION IP PLC

("Fusion" or "the Company")

Fusion directors join board of Welsh £100 million investment fund, Arthurian

Fusion IP plc (AIM: FIP), the university IP commercialisation company that turns world class research into business, is pleased to announce that David Baynes and Peter Grant, as representatives of Fusion, are to join the board and investment committee of the new Welsh £100 million life sciences investment fund, Arthurian Life Sciences ("Arthurian").

Arthurian has attracted a range of internationally respected industry figures to the board, who will assist Arthurian and the Welsh Government in realising its vision of creating a vibrant Life Sciences sector based in Wales. Other board members include former Director-General of the CBI, Sir John Banham, former Cabinet Minister Lord Hutton, Professor Trevor Jones, Director General of The Association of the British Pharmaceutical Industry (ABPI) and former Board Director of the Wellcome Foundation and Sir Christopher Evans, who will lead the board, as Chairman.

Arthurian will provide discretionary fund management services to the £100 million Wales Life Sciences Investment Fund.

As a key generator of start-up companies in Cardiff, through its exclusive commercialisation agreement with Cardiff University, Fusion's portfolio of life science companies are ideally placed to benefit from access to this fund. David Baynes will join the Arthurian board as non-exec director and Peter Grant will join the Arthurian investment committee.

David Baynes, Fusion's CEO said:

"This is a major step forward for the Welsh life science sector. As an established investor and creator of a number of Cardiff University-based companies, the scale of the Arthurian fund will enable Welsh-based life science start-ups to access a level of funding that competes with the more established funds, based in London and overseas.

Fusion is therefore delighted to be represented on the Arthurian board and expects to both contribute significantly to its deal flow and co-invest in any Fusion related start-ups.

We believe the future health of the UK economy lies in its ability to develop and exploit university-based research, where we remain a world leader. The new Arthurian £100 million investment fund and its vastly experienced team, is a huge boost to Wales ability to compete and develop its life science economy."

Sir Christopher Evans, founder and Chairman of Arthurian said:

"Fusion and its partnership with Cardiff University, one of the UK's leading research institutions, brings both on the ground experience of developing innovative life science research, as well as access to a world class IP pipeline.

The arrival of Arthurian in Wales marks the dawn of a new and exciting era and signals an exciting start to 2013.

Arthurian has a vastly experienced, internationally renowned Board of Directors, comprised of individuals from the public and private Life Sciences sector and from the world of international fund management, business, commerce and government. The Arthurian team currently manages, advises and consults to billions of pounds of assets in private equity and traditional investments. In particular for life sciences, the total of investments raised individually by members of the team exceeds £7 billion, co-investment in transactions executed by the team exceeds £6 billion, and exits of over £10 billion have been secured.

I am delighted to have such a team at the disposal of the Life Sciences sector in Wales.”

For further information please contact:

Fusion IP

+44 (0) 114 275 5555

David Baynes, CEO
Peter Grant, Operations Director
Stuart Gall, Press Relations

Seymour Pierce

+44 (0) 20 7107 8000

Mark Percy, Corporate Finance
Catherine Leftley, Corporate Finance
David Banks, Corporate Broking

About Fusion IP

Fusion IP plc (Fusion) was established in 2002 to commercialise university-generated intellectual property. It has long-term exclusive agreements with two of the UK's leading research-intensive universities, the University of Sheffield and Cardiff University, giving it exclusive access to all the IP generated by their research departments. These exclusive agreements enable Fusion to identify world class IP and turn it into a commercial opportunity, either through the creation of a start-up company or a license.

Fusion currently owns shareholdings in over 20 portfolio companies, including significant shareholdings in Seren, Magnomatics, Phase Focus, MedaPhor, Asalus and Diurnal

Fusion has a Co-Investment Agreement with IP Group plc (“IP Group”), in which IP Group has the right to acquire for cash, 20% of Fusion's equity in any new portfolio company. As Fusion normally owns 60% of any new portfolio company at start-up, IP Group's shareholding would normally equate to a 12% stake in the new portfolio company.

Fusion IP also has a Memorandum of Understanding with Finance Wales, the provider of commercial funding to Wales-based SMEs, which outlines a strategy of co-investment in opportunities arising from the Cardiff Agreement.

In November 2011 Fusion announced that it had raised approximately GBP5 million through a fundraising with existing and new institutional investors. As a result of this IP Group holds an interest in approximately 26% of Fusion.

In February 2012 Fusion announced its first major exit, when it sold its portfolio company Simcyp, a research-based business providing a modeling and simulation platform for predicting the fate of drugs

in virtual populations, to US based Certara LP for \$32 million, a 200 fold return on its original investment.

For more information visit www.fusionip.co.uk

About Arthurian

Based in Cardiff, the Arthurian team expects to be a major asset to the Welsh Government as it:

- has intimate knowledge of the Life Sciences sector and its infrastructure;
- will create, attract, support and grow companies that bring real value to Wales: jobs, revenues, tax receipts, scientific breakthroughs, better medical care and social value;
- will bring broader economic benefits by accelerating other forms of government and bank support, recycling revenues, encouraging spending and supporting the supply chain; and
- will create highly valuable companies with high market capitalisations, to ensure that the companies built in Wales, with Welsh money, stay in Wales for the long term benefit of the country

The Fund will invest in Life Sciences and related medical, pharmaceutical and healthcare companies currently based in Wales, and also in companies from across the UK, Europe and the rest of the world, where such investment will bring meaningful developmental and economic benefit to Wales. The Fund will make initial investments of between £500,000 and £5,000,000, and will preserve capital to provide follow-on investments. Larger investments may be considered in consultation with the Welsh Government. Arthurian will spread investments by risk, sub-sector, age or funding requirement and will consider companies of all sizes, both start-ups and mature companies, and will do both early & late stage investments. The Fund will primarily:

- focus on a small number of companies;
- encourage, support, grow and build up most promising existing companies and new start-ups;
- attract non-Welsh companies and entrepreneurs to Wales;
- attract corporate venture spin-outs to Wales;
- encourage and back international partnerships;
- focus across the full spectrum of Life Sciences sector – healthcare, diagnostics, medical technology, biotech and pharmaceuticals;
- back smart and experienced people;
- attract international co-investors; and
- generate significant amounts of positive press coverage for Wales and the Welsh Government.

Investments can be made immediately and applications together with business cases should be directed to enquiry@arthurianlifesciences.co.uk. Arthurian will raise a further £50 million from international co-investors to match the investment from the Welsh Government. Individual transactions will also be open to co-investors.