



Little **BIG** firm

HOW does a tiny company with just a couple of people become one of the stock market's top risers this year? I am sitting with Tim Mitchell, co-founder of Sareum and, like Stanley searching for Livingstone, imbued with the type of long-term determination essential in the quest for cancer treatments.

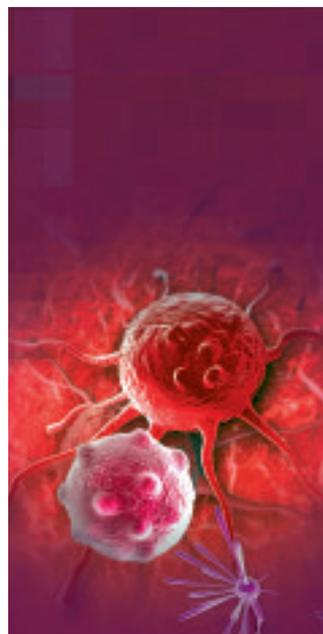
Sareum was formed in 2003 by Tim and John Reader who both worked at Millennium Pharma on Granta Park. The decision was made to shrink back to Millennium's HQ in Boston, MA, and "we took the opportunity to take out our team to form Sareum (mark 1)," Tim says.

They rented labs at Pampisford and immediately began offering their services to those who needed contract research, although the bigger plan was always to develop their own pipeline of treatments.

"It was that promise of revenue from the research contracts that led us to get a listing almost straightaway. We emptied our bank accounts, begged from friends and family and in October 2004 listed on AIM.

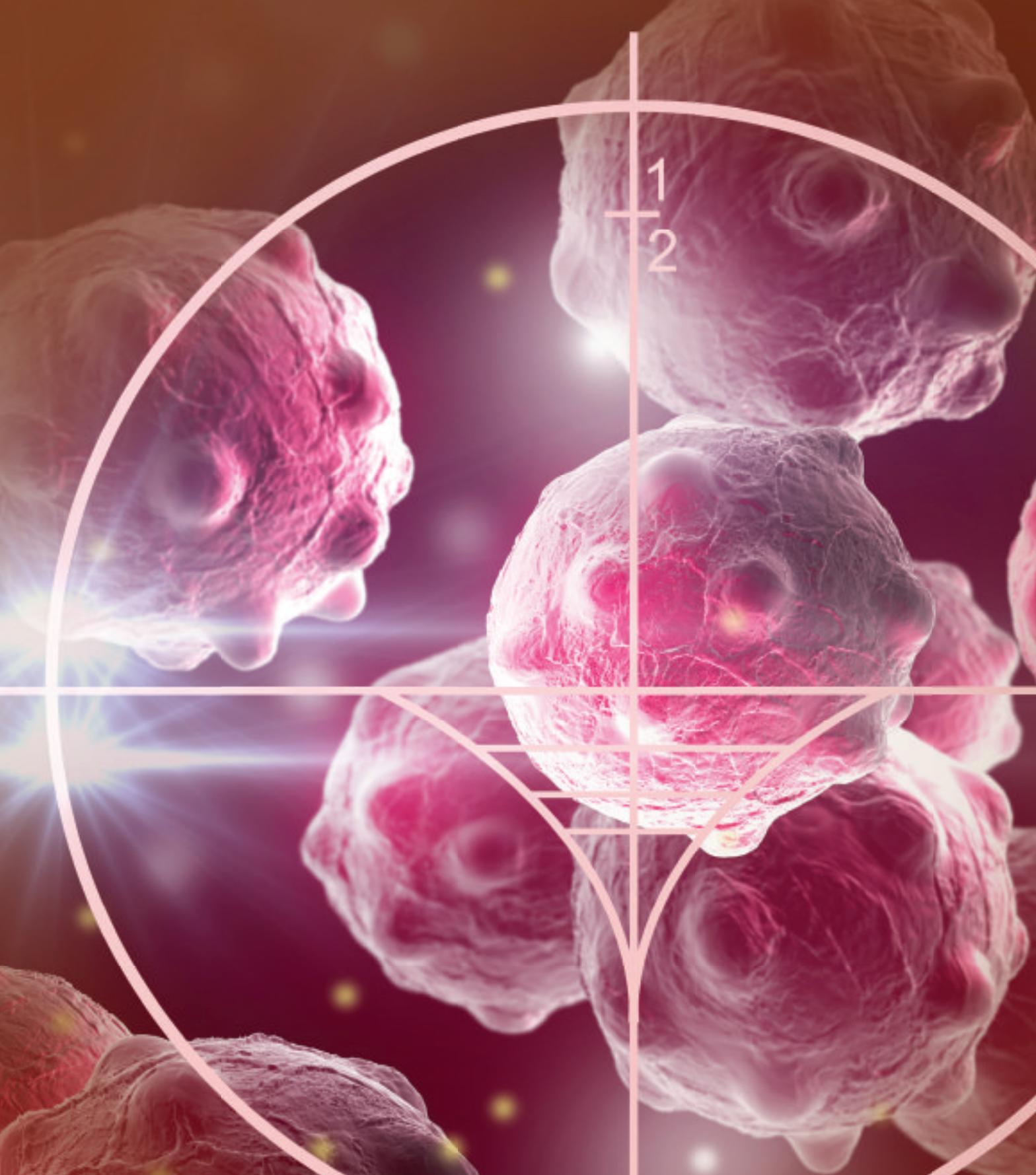
"By 2007 we had 35 staff and £2 million turnover and were almost at break-even, while funding our own internal research programme."

A collaboration was formed with cancer research at the Royal

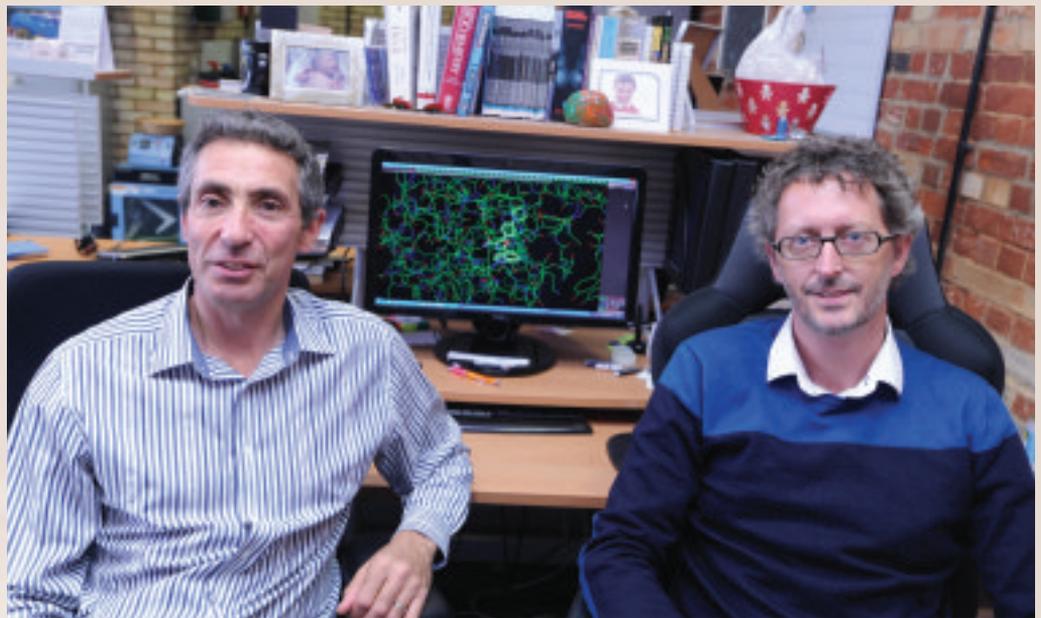


Sareum, the cancer research company punching above its weight, is currently a stock market star. Chief executive Dr Tim Mitchell talked to Jenny Chapman about how it all happened

continued on page 86



“It’s our understanding of cancer kinase enzymes and how to design small molecules to interrupt their function. Oh, yes, there are plenty of others doing it, but I suppose we like to think we are fairly good at it – the interfering with and making sure the drug is well-absorbed in the body and stays there long enough”



Sareum's Tim Mitchell and John Reader. "John runs the science and I do the business side," says Tim

continued from page 85

Marsden, "we thought what we were working on would be a boost to chemotherapy, but we found it would work against some cancers as a standalone". What sort of cancers? "Leukemia, lymphoma, breast cancer, head and neck, cervical etc, etc, have I missed any?"

"It was all going fine until the economy changed in 2008 and the research contracts stopped coming in.

"So we took this opportunity to re-organise. We sold the services side for £800,000 to BioFocus now Charles River, on Chesterford Research Park, and closed the labs down. We then formed Sareum (mark II)."

Mark II is what you might call a semi-virtual company. It's just Tim and John in the office they now have further down the road in Pampisford, a pleasant space where once upon a time leather was tanned.

"John runs the science and I do the business side. We are purely internal research now and new funding is coming from money earned through licence deals."

And boy, have they done a biggie here. At the end of September they announced a deal with Canadian company, ProNAi, which is £7 million upfront and up to £320 million on milestone achievements. Of this, Sareum gets £1.9 million and up to £80 million.

"We do an awful lot with not very much money," Tim says, referring to Sareum's virtuality. In our history we have raised £13 million. We spend our money wisely."

What's your USP? I ask, as if they have a new type of toothpaste. "It's our understanding of cancer kinase enzymes and how to design small molecules to interrupt their function. Oh, yes, there are plenty of others doing it, but I suppose we like to think we are fairly good at it – the interfering with and making sure the drug is well-absorbed in the body and stays there long enough."

It's called Checkpoint kinase 1 and the first clinical trials have now begun at the Royal Marsden. They started at the end of May and will last two years. And there are two in tandem, one trialling Sareum's drug in combination, the other as a standalone.

Clinical trials are expensive exercises but ProNAi will keep these going at the Marsden, as well as running additional trials in the US.

I start to wonder how such matches are made, like the one between Sareum and ProNAi.

"There are organisations which run networking events – they are like three days of speed-dating and we attend two or three a year. Companies like ProNAi turn up looking for companies like us, and I knew them from a previous incarnation."

So, that one's sort of left the nest, leaving Sareum to get on with three other programmes in their pipeline; there's one which is proving especially effective against acute myeloid leukemia. Preparations are under way for clinical trials in China.

Then there is the one tackling auto immune disease, working with SRI International in California and targeting psoriasis, arthritis and lupus, among other ills, including cancers.

Sareum has won government funds to pursue its work, and there have been some excellent results, most particularly in relation to a rare type of cancer, T-cell acute lymphoblastic leukemia.

I ask my usual question, what will the company look like in five years?

"The plan is to increase the pipeline and reach, have three or four programmes in the clinic, and more staff, plus several licensing deals under our belt.

"At the moment we are looking to licence during Phase I clinical trials, but it would be nice to be able to take candidates through to Phase 2, and the fact that we have shown we can take a drug into clinical trials and licence it, shows we can do it."

Are there any plans to sell?

"It may be that one of those milestone payments will be worth much more than the value of the company, and then it would be a no-brainer for the licensee to acquire us."

Sareum's market cap is currently around £30 million and the share price as we are talking, stands at 1.2p. It once hit 4.5p, and the other way, 0.2.

"We punch above our weight, working with Cancer Research UK and SRI International, plus having a public listing; and we've done it all on 'bugger all'."