

## **Young development company launching new method for treatment of skin cancer**

The development company Medeikonos AB of Göteborg, founded in 1998, is about to launch a patented system of healthcare equipment for treatment of certain forms of skin cancers. This market launch will be possible through a new share issue injecting SEK 25 million into the company and two new owners.

The share issue brings with it SEB Företagsinvest and the Finnish venture capital company Bio Fund as new owners, each subscribing for shares worth SEK 10 million. On top of this, InnovationsKapital, which already holds shares in Medeikonos, invested SEK 5 million.

“The capital injection will be used to launch the products in Europe, build up a marketing organisation and further develop our business model,” says Erik Bengtson, CEO of Medeikonos AB.

### **Research results at Chalmers and Sahlgrenska**

Researchers at Chalmers University of Technology and Sahlgrenska University Hospital are behind Medeikonos plus the venture capital company Chalmersinvest as one of the initiators. The company was set up to commercialise research results within the field of photodynamic detection and photodynamic therapy sectors, for detecting, demarcating and treating certain types of skin tumours.

So far work has aimed at developing and verifying technology considered to complement doctors' current methods of improving treatment results. Medeikonos is now entering the next phase where products are to be launched onto the market in parallel with continued clinical studies. The company is currently completing the necessary process for CE-marking the equipment.

Prototypes of the equipment have been installed for clinical trials at Linköping University Hospital, Sahlgrenska University Hospital in Göteborg and will shortly be at the Karolinska Hospital in Stockholm.

### **Less risk of spreading and no scar tissue**

The main advantage of photodynamic detection is that doctors can decide the extent of the cancerous tumour on the skin more accurately, which increases the safety for the whole tumour to be removed and thus reduces the risk of the cancer returning and spreading. The photodynamic treatment has also shown that it gives excellent possibilities for treating large, widespread skin tumours, such as on the head and legs, where conventional methods are significantly limited.

The method also gives superior cosmetic results without permanent scar tissue, which, from a patient's point of view is especially important when treating tumours on the head, face and hands.

### **Over 1.5 million new cancer cases a year**

The changes in lifestyle patterns with an increased interest in sailing, golf, sunbathing and other outdoor activities where the skin is constantly exposed to lengthy periods of sunlight, contribute to more people being affected by skin cancer. Around 1,500,000 of all new cancer cases annually detected in Europe are considered to be detectable and treatable using Medeikonos' equipment. The cost for treating these patients using conventional methods is estimated to be somewhere between SEK 1 billion and SEK 10 billion a year.

The need for more effective treatment methods is huge, not only at hospitals' dermatology clinics but also for cancer, gynaecology, plastic surgery, eye and ear/nose and throat clinics. The need is growing on the back of the number of cancer cases increasing and healthcare resources becoming more strained. This photodynamic technology will contribute to cutting costs as well as improving the quality of detection and treatment.

### **At the forefront**

Medeikonos is at the forefront in this sector and so far the competition is limited. Competition consists mainly of conventional methods for treating skin cancer, including invasive surgery, burning, freezing and radiation treatment.

Research is ongoing worldwide in the field of photodynamic detection, but so far there is no comparable commercial product available in Europe or the US.

Regarding photodynamic treatment, Medeikonos only faces competition from a few foreign companies.

### **Active owners**

InnovationsKapital went in as an active owner of Medeikonos in May 1999 with a capital injection of SEK 4 million. It also participated in the completed financing and contributed by bringing SEB Företagsinvest and Bio Fund of Finland in as new owners.

"With its important products Medeikonos has significant potential. The company is an excellent example of our determination to invest in promising, research-intensive, companies in the Healthcare sector, at an early stage," says Gunnar Fernström, General Partner at InnovationsKapital.

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InnovationsKapital

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*InnovationsKapital was founded in 1994 and is one of Sweden's leading venture capital firms for innovative early stage growth companies. The business is focused on investments within Information & Communication Technology and Healthcare & Life Sciences, dynamic sectors that are rapidly expanding and where Nordic research plays a leading role.*

*Total capital amounts to SEK 550 million, divided between two funds, which include investors from reputable Swedish and international institutions.*

*Further information can be obtained at: [www.innkap.se](http://www.innkap.se)*