

DisPatches

Issue 1: Dec 2007

Welcome to the first edition of DISPATCHES, Tissuemed's Newsletter. Designed to keep you informed of current events in the dynamic life of our exciting company, we hope this will be a stimulating read. If you have comments or issues you think your colleagues, distributors, customers, investors or anyone else associated with the company would benefit from sharing, please get in touch with editor@tissuemed.com



Interview with Tissuemed CEO, Dr David Fortune

Ed: Could you describe the marketplace and how Tissuemed fits in.

DF: Put simply, gone are the days when a simple stitch was all that was ever used to close wounds, such as those in surgical resections. Tissuemed's advanced surgical sealants are targeted at not only speeding up leak prevention, patient recovery and hospital discharge, but also in the longer term protecting against infections and delivering therapeutic agents. These competitive advantages are particularly important to healthcare providers, as they allow substantial savings and enhance patient care – huge benefits in the current climate of intense cost cutting.

Ed: So do you feel optimistic about the future?

DF: In view of our long and interesting history that's a good question, but the answer is unequivocally yes. What I can tell you is that we have a really exciting product on our hands in TissuePatch^{3™}. The immediate future is all about successfully introducing the product to Thoracic surgeons for use in resolution of air leaks.

Ed: Is that going well?

DF: So far extremely well and we're ahead of plan. It's very gratifying to see the fruits of so many peoples' labours in the form of real interest from surgeons. We took a huge number of leads at the Cardiothoracic meeting we attended recently, from people who's level of interest varied from "This looks good" through to "This product will revolutionise my lung surgery"...so all very positive.

Ed: Have many people used the product so far?

DF: Absolutely yes. And the really good news is that in use the product is living up to our expectations. There's no doubt firstly that there's a need for such a product and secondly that our product addresses the need extremely well. We're getting daily reports from across Europe and beyond. Surgeons who have used alternative products in the past find TissuePatch^{3™} to be a real step forward.

Ed: Can you tell me about other applications?

DF: TissuePatch^{3™} is already indicated for use in general surgery as an adjunct to sutures and staples, but our R+D focus is on developing and introducing iterations that will address other surgical needs. The base technology is highly adaptable to different surgical demands and our programme of future applications is on schedule.

Ed: How far into the future does that programme stretch?

DF: We have a 5 year plan with milestones, the early ones of which we're already in good shape to achieve.

Ed: Do you have a strong international presence?

DF: Yes, we've moved very quickly and have distributors in over 20 countries already.



European and International markets are the start, and especially important as they represent the heartland of the global industry for tissue sealants and the growth markets respectively. Tissuemed in collaboration with its experienced, committed and well qualified

Distributors, are confident that we will compete effectively against major medical device suppliers – and we are already demonstrating the success of this strategy.



Gearing up for Growth: Capacity, Capability and Quality

TissuePatch^{3™} was launched to a very receptive audience in September 2007. Thoracic and Cardiothoracic surgeons from the world over expressed themselves interested in the product and during the subsequent few months many have been given the opportunity to use it to resolve intraoperative air leaks in their patients. During this three month period Tissuemed has been actively appointing stocking distributors and now has active outlets in approaching 25 countries.

The transition of the company from a small, innovative R&D group to a firm with manufacturing capabilities, while maintaining the all-important development of the next generation of product continues to be a test of management skill and judgement.

Dr Ian Thompson, R&D/Operations Manager comments; "Taking TissuePatch^{3™} from R&D to full scale manufacturing is a challenge and has required well developed plans. Although it's been hard work the technical group is fully committed to making this product a success."

Class 10,000 Manufacturing Facility



"We have to make the right investment decisions to support the aim of increasing capacity whilst maintaining quality." According to Ian; "the key disciplines of R&D, manufacturing and Quality Control have all been enhanced, whether through recruitment of skilled personnel or the investment in new equipment and processes. We've quickly managed to double our production output in response to welcome demand."

As a result of strategic investments over the past 3 months Tissuemed has:

- Doubled the capacity of polymer production through process improvements and the introduction of new higher capacity fume hoods, equipment and glassware
- Added speed and consistency to coating processes with the introduction of automated equipment
- Introduced new packaging machinery
- Introduced new QC/analytical equipment

Of course the equipment is only as good as the staff who operate it, which is why the recruitment of Carole and Jiten to the manufacturing team (reporting to Iain Johnson, Production Supervisor), and Lesley joining the QC Department (reporting to April Ambridge, Quality Control Scientist) means that the company can meet demand whilst ensuring that the product leaving the warehouse meets the strict performance criteria.

Deputy Chairman Nick Woods comments further; "Tissuemed's culture of optimising its existing resources hasn't changed. I'm constantly amazed by what our people can achieve and very reassured that the company continues to invest wisely in the things that will deliver consistently high quality product to our ever-increasing customer base."

Coating Operation

