

## £5m boost for firm's treatment against head lice

EXCLUSIVE: Mark Williamson

3 Sep 2010

**A Scottish biotechnology pioneer hopes to take the hassle out of treating head lice after licensing its know-how to the maker of some of the country's best known medicines.**

Borders-based Ectopharma's technology will be used by Thornton & Ross to add a new generation of products to tackle head lice to its stable of remedies.

This includes Settlers-branded tablets for indigestion and Covonia cough medicine.

Alan Walker, chief executive of Ectopharma, said the deal could generate around £5m for the minnow over ten years.

A specialist in over the counter medicines that can be sold without a prescription, Thornton & Ross already makes a market-leading head lice treatment called Hedrin.

It will use Ectopharma's Octane Diol product to help with its efforts to develop a new range of water-based treatments.

Walker said Octane Diol could be used to treat the scourge of head lice in a much more pleasant manner than insecticide-based products.

These can involve unpleasant side effects, which can mean that they have to be used very carefully and washed off soon after use.

Octane Diol technology causes death by dehydrating the lice and kills eggs that are on the patient's scalp in the process.

It was found to be effective in recent pharmaceutical trials involving more than 500 patients.

"The wonderful thing is that it (Octane Diol) is used in cosmetics," said Walker.

"It's very safe and pleasant, it has a slight coconut odour and you don't have to wash it out in ten minutes, you can leave it in all day."

Walker believes Thornton & Ross will be able to use its marketing muscle to secure strong sales of the products it develops in the UK and overseas.

The proceeds of the deal should provide Ectopharma with a steady flow of cash that it can use to fund work on the treatment it is developing for pancreatic cancer.

"Here's a head lice product, it's not for something that's life threatening but the money generated from that is being diverted into cancer research," said Walker.

Privately-owned Ectopharma is working on treatments for animal health problems using Octane Diol.

The deal with Thornton & Ross is the first licensing deal that Ectopharma has secured. A veteran of the pharmaceutical industry, Walker believes the deal provides validation for Ectopharma's unusual business model.

The company was formed to be a virtual pharmaceutical research and development company. Ectopharma buys early stage technology that it expects to incorporate in products that it will develop using contract testing and manufacturing firms.

Ectopharma acquired the rights to its Octane Diol technology in the late 1990s when an investor in the company, Ian Parsons, recognised that it had qualities that could allow it to be used to treat problems like head lice.

Walker believes the Ryboquin product it is developing could significantly boost the body's ability to fight Pancreatic Cancer, which does not respond to treatments like Chemotherapy.

Thornton & Ross will pay over £2m in milestone payments based on the development of products and royalties based on sales.

The deal does not cover the USA and China.

Walker was commercial director of Borders-based Prostrakan from 2001 to 2008. He spent 30 years at drugs giant Warner Lambert.



ALAN WALKER: Said the deal will fund pancreatic cancer treatment.