

ENTREVESTOR: DeCell skin grafts to hit Canadian markets

🔒 Premium content

Peter Moreira

Published: 15 hours ago

Updated: 13 hours ago



Chief scientific officer Paul Gratzner and COO Sean Margueratt of Halifax-based DeCell Technologies Inc. - Contributed

After a few years of ups and downs, Halifax-based DeCell Technologies Inc. has struck an agreement that should result in its natural skin grafts reaching the Canadian market in April or May.

Last week, the company struck a deal with RegenMed of Thunder Bay to manufacture and distribute the DeCell product DermGen. RegenMed is the largest tissue bank in Ontario and has deals with other tissue banks across the country. Chief scientific officer Paul Gratzner said in an interview DeCell has also reached an agreement with Impactful Health Solutions of New York State to distribute the product in the Middle East.

"The mutually beneficial partnership with RegenMed is an important milestone for DeCell by providing commercial production of our first product DermGen," said Gratzner. "It's a rare and very exciting opportunity for an advanced wound care technology developed in Canada to also be manufactured by a Canadian company. "

DeCell began in 2013 with the goal of producing DermGen, its patented technology that quickly and affordably cures chronic foot ulcers, which are a common and dangerous ailment for diabetics. DermGen is a natural scaffolding made from donated human skin, which can be placed over the ulcer to encourage the regeneration of skin cells and keep the wound clean to avoid infection. It is free of bacteria and viruses and has no chance of being rejected by the patient.

The company, co-founded by Gratzner and COO Sean Margueratt, has gone silent since 2015, and Gratzner admits it went through some "tough times" in the past few years. He described it as involvement with groups that were supposed to be helping the company but "really didn't understand our technology." It meant the company spent time validating its technology for partners rather than moving the company forward.

Having said that, Gratzner added the company has made improvements in its processes so that it now takes just 3.5 days to produce the skin grafts, down from about five days previously.

The company's reps will spend a couple of months in Thunder Bay in the near future helping RegenMed with the installation and training the tissue bank's staff.

Asked whether RegenMed has the capacity to meet the demands of the Canadian market, Gratzner said there is actually now a glut of skin in Canadian tissue banks. He added that it's good to know this resource, donated by people before their deaths, will now actually be used to help other people heal more quickly.

DeCell was able to raise equity financing in its early years, receiving almost \$500,000 from Innovacorp and raising a bit more than that from members of the First Angel Network and other angel investors.

Now that it has a clear pathway to the Canadian diabetic market, DeCell is planning to expand into other markets in the next few years — both geographic and medical diversification.

The company's partnership with HIS should help with expansion into such countries as Saudi Arabia, Qatar and Lebanon. What's more, DeCell is looking for additional applications for its products, such as using its skin grafts to help burn victims recover.