

Accel-Rx Health Sciences Accelerator to Partner with BDC Venture Capital to Help Create up to 20 Leading Canadian Companies

BIO International Conference, San Diego – June 25, 2014: BDC Venture Capital and the Accel-Rx Health Sciences Accelerator (Accel-Rx) announced today a collaboration to provide critical seed funding to new and emerging Canadian health sciences companies. Together, Accel-Rx, BDC Venture Capital, and CDRD Ventures Inc. (CVI) which will provide the initial management to launch Accel-Rx operations, would focus on maximizing new health sciences company creation, and ensuring start-ups have the resources they need to grow and become a new generation of strong health sciences companies.

Accel-Rx brings together five of Canada's leading health sciences Centres of Excellence for Commercialization and Research (CECR) to foster cross-Canadian cooperation and directly addressing the health science company creation challenge in Canada. They include:

- The Centre for Drug Research and Development (CDRD);
- MaRS Innovation (MI);
- The Vancouver Prostate Centre's Translational Research Initiative for Accelerated Discovery and Development (PC-TRIADD);
- The Centre for Commercialization of Regenerative Medicine (CCRM); and,
- The Centre for Probe Development and Commercialization (CPDC).

The accelerator will help make a connection between: promising technologies; experts in drug development, clinical/regulatory affairs, deal-making and finance; entrepreneurs and mentors; and R&D infrastructure and resources.

The proposed seed funding partnership with BDC Venture Capital would be the main funding mechanism for companies created at Accel-Rx, with the intent to invest in up to three to four companies annually, with that number potentially increasing as the partnership progresses. Selected companies would each receive a \$500,000 convertible note from BDC Venture Capital, which we hope will allow companies to attract similar, if not greater investments from the private sector.

“The fact is: the healthcare industry in Canada holds great promise, with over \$6 billion invested in basic research annually. However, a gap exists in terms of transforming this research into commercially-viable businesses. We believe that our collaboration with Accel-Rx will help tackle this problem,” commented Jérôme Nycz, Executive Vice President, Subordinate Financing and Venture Capital at BDC. To date, all BDC-backed accelerators have been in primarily the digital media and ICT sectors. This proposed partnership marks their first step in expanding their support to the health sciences sector.

Natalie Dakers, President and CEO of CVI, and Centre Director of Accel-Rx added, “Together with our network of partner CECRs across the country, Accel-Rx is now supporting the next stage in the development continuum, and acting as a robust national accelerator for new company creation. With the new resources it brings to the table, Accel-Rx will provide Canada with a more well-informed, well-resourced, and effective approach to company creation; and ensure that opportunities arising from the country's strong foundation of innovative discovery research and technology development are fully

capitalized upon through the launching of a critical mass of robust companies based on exceptional innovative, pre-validated (scientifically and commercially) technologies.”

“Over the last seven years, the CECR program has demonstrated its value as a pan-Canadian engine, greatly improving the commercialization prospects for biotechnology assets in this country,” said Dr. Raphael Hofstein, MI’s President and CEO. “Creating companies around these most promising early-stage technologies allows for investment and is a crucial step in advancing them to market. This collaboration between Accel-Rx and BDC Venture Capital will provide new opportunities to address seed-stage funding rounds for health sciences companies prior to Series A financings or other strategic alliances. We at MI look forward to providing opportunities to Accel-Rx for new company creation.”

Accel-Rx will deliver five key Program Pillars: Business Planning and Investment Strategy Development, Funding, Technology Development Planning, Mentorship, and Access to Infrastructure (through preferred partnerships with the five founding CECR organizations noted above).

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About the Accel-Rx Health Sciences Accelerator

There is a clear need for a new approach in commercializing health sciences technologies. The gap between academic discovery and commercialization by industry persists, with a continued decline in venture capital investments and negative growth in this key industry. Public investment in health research continues to increase, but the number of new medicines and companies does not. Accel-Rx will therein act as a national hub to accelerate and create new fundable health sciences companies with high commercial potential, across Canada. Accel-Rx will apply the principles of a traditional accelerator - such as mentoring, seed investment, and access to follow-on investors – while also incorporating business planning, investment strategies and technology validation/development using the infrastructure and expertise of the five founding CECR partners to create investable companies based on the best technologies sourced from across Canada.

About BDC Venture Capital

With more than \$1 billion under management and more than 25 years of industry experience, BDC Venture Capital is an investor of choice focusing on IT, health, and energy/clean technology companies, as well as venture funds, with high growth potential. From seed through expansion to exit, our mandate is to help build outstanding Canadian companies, while working to create a sound financial ecosystem for Canadian technology ventures. Find out more at www.bdc.ca/vc or on Twitter @BDC_VC.

About CDRD Ventures Inc. (CVI)

CVI is the commercialization vehicle of The Centre for Drug Research and Development (CDRD). With a first right to negotiate for any of the technologies developed at CDRD, CVI has a continuous and unparalleled pipeline of the most innovative and commercially-promising pre-validated and thus de-risked technologies in Canada. From CDRD’s drug development projects and/or external opportunities, CVI licenses select promising technologies with the goal to further advance them to a stage where they can attract licensing partners, form the foundation for a new spin-off company, or secure the investment needed for clinical development. www.cdrdventures.com

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