

Instructions for the Full Proposal for Investment

The Accel-Rx Proposal Full Application Instructions apply to the CECR-supported award for the 2017 application cycle. It is the responsibility of the Applicant Company to comply with the full proposal application instructions and ensure that the full proposal is accurate, complete and successfully submitted to Accel-Rx by the deadline. An appendix of references and/or figures may also be included. The full proposal must be completed in 10-point font or larger.

Accel-Rx will hold all full proposals confidential in accordance with Accel-Rx's confidentiality policy and public disclosure requirements.

Invitations to submit a full proposal are valid only for this specific intake.

The full proposal consists of:

1. Applicant Organization Information
2. Full Proposal Details
3. Appendix (including supporting documentation)

Applicant Company Information

Investment Proposal Title

A non-confidential title for the proposed project must be provided and be less than 50 characters in length.

Applicant Company

Provide the name of the **Applicant Company** (legal entity) anticipated to receive and administer the funds. Information provided should include **full legal name of the Company, legal status, Business Number, address, phone and email**. **Legal name:** provide the full legal name of the company, as shown on the incorporation papers. Please list the operating name if it is different from the legal name. Indicate the firm's date of incorporation and if the firm is a for-profit organization. **Business number:** Provide the company's Canada Revenue Agency (CRA) business number. Include the information for the **Contact Person(s)** for the Applicant Company.

Nominating CECR and Contact(s)

As the 2017 Accel-Rx Awards require affiliation with a CECR, the **CECR Contact Person(s) and Nominating CECR must be declared**. Please note: services, collaborations, funding or other participation by the CECR that has been or will be provided to the Applicant Company.

The following are a list of the life sciences CECRS currently nominating companies:

- Centre for the Commercialization of Regenerative Medicine (CCRM)
- MaRS Innovation
- Neomed Institute
- The Centre for Drug Research and Development (CDRD)
- The Centre for Probe Development and Commercialization (CPDC)
- The Prostate Centre's Translational Research Initiative for Accelerated Discovery and Development (PC-TRIADD)
- Centre for Commercialization of Cancer Immunotherapy (C3I)
- MedDev Commercialization Centre (MDCC)

Date of submission

Please indicate the current date.

Number of Employees should be expressed as a full time equivalent. Only employees to whom you issue a T4 should be included in this total.

Technical Employees includes all technical staff who have a post-secondary qualification and includes scientists, engineers, and technicians.

Please specify the company's **Fiscal Year-end** month.

The total **Revenues from goods and services** can include money received by the firm for goods and services sold, including licensing revenues. It does not include interest, equity investment, loans, grants and SRED tax credits.

The total **Research and Development Expenditures** includes total direct and indirect costs of R&D, before any SRED tax credits.

Total Equity Investment is the amount of monies invested in the firm from Venture capital funds, private placement (angels, family and friends) or from other firms. It also includes monies raised through a public offering or from convertible debentures. It does not include grants.

Anticipated Company Valuation: Please indicate your anticipated pre-money valuation.

Proposal Summary

In this brief section, state the company's value proposition in straightforward, non-scientific language. Describe how an Accel-Rx/BDC investment would help your company reach its next significant milestone and position it for a Series A round of financing.

Proposal Details

Funding Request

Enter the amount requested for the proposed investment. A maximum total co-investment available from BDC and Accel-Rx, not including the Applicant Company matching funds, is \$1.0M.

Funding to Date and Sources

List any prior funding received by the Applicant Company (both dilutive and non-dilutive sources).

Matching Funds Source and Amount

Matching funds for investment must be available to the Applicant Company. List the amount(s) of matching funds, sources and dates of availability of such funds. BDC funds must be matched 1:1 with third party funding from strategic partners, private sector investors or foundations. A key aspect of the matching funding is it provides outside validation for the investment; can come in the form of convertible note or equity. The source of matching funds will ideally be identified at the time the company presents to the Investment committee, or is secured within 3 months of diligence completion.

Anticipated Company valuation

Accel-Rx/Business Development Bank of Canada (BDC) will fund approximately three to four qualified companies each year. Accel-Rx will invest up to \$500K to fund the company and BDC can also invest up to \$500K; BDC funds must be matched 1:1 with third party funding for a total of \$1.5 Million. Provide an estimate of a pre-money valuation of the Applicant Company prior to any BDC and Accel-Rx funding. State your rationale for the calculation of your pre-money valuation. Please indicate if the company valuation was set by a qualified investor and can be verified by a term sheet. Please note that one of the eligibility criteria for an investment by Accel-Rx/BDC is a valuation below \$5 M. Valuations above \$10M are likely too high for consideration for investment by Accel-Rx/BDC seed fund.

Shareholders/Ownership on a fully-diluted basis

Please list the main shareholders of the company and indicate if there is any **planned near-term investments or change in the ownership** of the company.

Company Overview

The focus of this section should be what would be of interest to an investor (i.e. business opportunity) rather than what would interest a customer. Explain the company's value proposition. Describe the main problem that the identified target market faces and what gives your product or service a unique advantage to capture a portion of the market segment.

Management and Board

Describe the relevant experience of the founder, team and management. Please add additional information in the appendix if needed. List all relevant credentials of team and if applicable any advisors and board of directors. Please indicate the level of commitment of key team members at the time of submission. Identify the key positions and critical skill sets that will need to be added to the team.

Business Opportunity

Markets

Describe the product or service anticipated to be produced by the Applicant Company under the terms of a proposed investment and the target market(s) the products will service. How does your product fit with your target markets' needs and trends? What is the size and growth rate of this market and how do you intend to secure a sufficient part of it? What is the problem your product is trying to address?

Market Drivers

What is the nature and importance of the barriers to entry or opportunities? Is there a specific window for the opportunity? Is there any certification or regulation considerations?

Competitive Analysis

Summarize products and companies (both existing and under development) which are competitors of the Applicant Company. What would the perceived advantages of your technology be over existing technologies? How does proposed product from the applicant company compare to current standard of care or competitors to address the problem?

Target Product Profile

In a table format, outline the target product profile of your technology.

Business strategy and Revenue Model

What are the profiles of the targeted customers? A comparative of existing competitors and anticipated product or service characteristics (new therapeutics/diagnostic) would highlight perceived benefits. Is your product addressing an unmet medical need, improvement of standard of care etc.? Please describe your company's commercialization capabilities (resources) in relation with the results of the proposed project. What will be the basis of your revenue stream (license, partnership, service etc.)?

Intellectual Property

Patents and/or Patent Applications

Describe all Intellectual Property owned by, licensed to, or in the process of license to the Applicant Company. Do not include any information which may compromise the Applicant Company's ability to

secure a patent or other intellectual property protection. Challenges to Company Intellectual Property (legal challenges or letters received questioning validity of Company Intellectual Property) must also be disclosed.

Status of License(s) of IP

Describe the Status of Licenses(s) to Intellectual Property which are critical to the Applicant Company's success. All intellectual property and associated licenses are required to be owned or controlled by the Applicant Company prior to the full proposal stage.

Patent Strategy (Including Any Analysis of Freedom to Operate)

Has the company checked if patents already exist and what level of "freedom to operate" the company would have? If potential conflicts exist, has the company considered a licensing option? Is the company likely to generate new intellectual property? How does the company plan to protect the innovation?

Technical Plan

Rationale and Preliminary Results:

Describe the product and how it is already addressing an important gap in drug/diagnostic research and development.

Stage of Product Development:

Provide a description of the stage of product development (describe where the product development is in terms of a typical technology product life cycle).

Objectives: Provide a list of the project objectives.

Technical Plan: Describe the major tasks to be undertaken to achieve the desired technical objectives in the project. Identify the project phases and/or milestones.

Timeline and Resources:

Please include a **Timeline** for execution of the **Plan** and any **Resources** which may be required (estimated costs). Also include services such as Clinical, Regulatory, Manufacturing, Business Services, contractors or consultants that may be needed for success of the plan. List if equipment or other purchases are anticipated as part of the plan.

Budget:

Please include a detailed budget and cash flow projection in the appendix covering at least 2 years.

Deliverables:

Upon project completion describe what specific items, knowledge, capabilities etc. the company will acquire. Describe how a successful outcome of the Technical Plan will facilitate commercialization of the Product(s) or Service(s).

Additional expenses needed to reach commercialization:

Will this investment facilitate the company reaching an inflection point? What is the company's plan to secure the necessary funds to pay for the additional development and commercialization costs?

Appendices

In addition to providing information that would add to the understanding of your company and plan, please include the following items if they are available:

1. Articles of Incorporation
2. Capitalization Table
3. Annual (audited or non-audited) financial statements and accompanied notes for the last 2 years (assuming the company has crossed the fiscal year). If newly incorporated, the opening balance and income statement and evidence that you have money in the bank.
4. Latest interim financial statements
5. Cash flow projection for at least 2 years. Including a summary of all sources of funding both grant and investments.
6. Company development plan with key milestones (technical, business and financial)
7. Organizational Chart
8. Resumes/CVs of key personnel

2017 Accel-Rx Proposal For Investment

Applicant Organization Information

Investment Proposal Title:

Applicant Company:

Legal Status:

Business Number:

Address:

City:

Province:

Postal Code:

Phone:

Alternate Phone:

Email(s):

Contact Person / Affiliation:

Nominating CECR:

Date of submission:

Number of Employees:

Technical Employees:

As of fiscal year end:

Revenues from Goods and Services:

Research and Development Expenditures:

Total Equity Investment:

Anticipated Company Valuation:

Proposal Summary

Summary:

Proposal Details

Funding Request:

Funding to Date and Sources:

Matching Funds Source and Amount:

Anticipated Company Valuation:

Was the valuation validated by a “qualified Investor” (yes/no)?

Shareholders/Ownership on fully-diluted basis:

Planned near-term investments or change in the ownership:

Company Overview

Management and Board

Founders:

Management Team:

Board of Directors:

Business Opportunity

Markets:

Market Drivers:

Competitive Analysis:

Target Product Profile:

Business Strategy and Revenue Model

Intellectual Property

Patents and/or Patent Applications:

Status of License(s) of IP:

Patent Strategy (Including Any Analysis of Freedom to Operate):

Technical Plan

Rationale and Preliminary Results:

Stage of Product Development:

Objectives:

Technical Plan:

Timeline and Resources:

Budget:

Deliverables:

Additional expenses need to reach commercialization:

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Appendix

In addition to providing the above application, please include the following supplemental items:

1. Articles of Incorporation
2. Capitalization Table
3. Annual (audited or non-audited) financial statements and accompanied notes for the last 2 years (assuming the company has crossed the fiscal year). If newly incorporated, the opening balance and income statement and evidence that you have money in the bank.
4. Latest Interim Financial Statements
5. Cash flow projection for at least 2 years. Including a summary of all sources of funding, both grant and investments.
6. Company development plan with key milestones (technical, business and financial)
7. Organizational Chart
8. Resumes/CVs of key personnel