

NeurAxon Raises 2.5 Million in Venture Capital

Toronto, ON - July 21, 2004 – Mississauga based biotech startup NeurAxon Inc. has raised its first round of venture capital funding worth C\$2.5 million. Ventures West led the seed-financing round, with participation from H.I.G. Ventures, NeuroVentures Fund, and Genesys Capital Partners, manager of the Triax-Covington New Generation Biotech Funds.

NeurAxon Inc. is an early stage research and discovery company dedicated to satisfying the growing unmet medical need that exists in the area of pain management. Established in 2004 as a spin-out of MCR Research, a Toronto based medicinal chemistry company, NeurAxon plans to develop and commercialize novel small molecules that interact with established molecular targets that have been shown to play a broad role in pain management.

“NeurAxon will focus on developing alternative therapies for migraine avoiding some of the deficiencies in the current treatments and neuropathic pain where contemporary drugs have for many patients only minimal effects,” said President John Andrews. “This initial round of financing will be used to fully characterize the potential of the existing series in therapeutic assays and to further develop new drugs via our own strong medicinal chemistry group.”

NeurAxon attracted leading Canadian and U.S. venture capital investors to this seed financing round. “We were impressed with the caliber of the scientific team at NeurAxon,” added Nancy Harrison, Senior Vice President of Ventures West. “They have extensive knowledge of the disease, proven chemistry and biology expertise, and a track record in developing other neurological compounds through the clinic.”

The effective treatment of pain remains inadequate, with millions suffering from unremitting and under-treated chronic pain that destroys an individual’s quality of life. In 2000, over 86 million Americans were afflicted with pain, causing an economic loss of US\$90 billion annually. The worldwide market for prescription pain therapeutics is well over US\$20 billion annually.

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