



Massachusetts Life Sciences Center Board Approves 2011 Accelerator Program Loans for Early-Stage Companies

Center will provide \$3.75 million to support five early-stage life sciences companies

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Waltham, MA – The Massachusetts Life Sciences Center, a quasi-public agency tasked with implementing the state’s ten-year, \$1 billion Life Sciences Initiative, today announced the awarding of **\$3.75 million in loans to five early-stage life sciences companies**. The Center’s Accelerator Program provides loans of up to \$750,000 to early-stage companies engaged in life sciences research and development, commercialization and manufacturing. The Center’s Board of Directors approved the third round of Accelerator loans today.

The Accelerator Program, the Center’s flagship investment program for companies, supports and “de-risks” early-stage companies by providing loans that will match other sources of capital. By leveraging other sources of capital, the Accelerator Program provides support to companies at the most critical stages of their development cycle, enabling them to conduct vital research and proof-of-concept studies and attract subsequent investment while improving the odds of bringing cutting edge innovation to the marketplace. The first two rounds of the program took place in 2009 and 2010 and collectively funded ten companies. In September of 2010, Good Start Genetics became the first of these companies to pay back their loan, with interest, after securing \$18 million in Series A financing. In October 2010 Invivo Therapeutics paid back their loan to the Center, with interest, after raising \$13 million in private financing. These repayments contribute back the Center’s funds that are available for reinvestment through this and other programs.

Support for the Accelerator Program is augmented by the Center’s Corporate Consortium Program, which attracts private matching funds to the Center’s investment activities. Corporate Consortium members Johnson & Johnson (NYSE: JNJ) and sanofi aventis (NYSE: SNY) have agreed to contribute \$500,000 each over two years. The Center is actively sourcing potential additional co-investors at this time.

Applicants for the Accelerator Program are generally early-stage life sciences companies with a high-potential for technology commercialization, rapid growth, and downstream private equity financing. The loans are designed to address the need for capital investment associated with the long life sciences R&D cycle and the high cost of translating research into a commercially viable product.

Applications were subjected to a double-blind, rigorous peer review, followed by an evaluation by the Center's Scientific Advisory Board (SAB). Applicants were then further screened by the Center's Investment Sub-Committee of the Board of Directors, through a process that included a live presentation by finalists. Final awards were determined by the Center's Board of Directors.

The five companies that were authorized today to receive loans of \$750,000 through the Accelerator Program are:

AesRx, Inc (Newton) – a biopharmaceutical company focused on the development of sickle cell disease and other orphan drugs. Aes-103 is a novel, orally bioavailable, small molecule (Da 126) therapeutic for the treatment of SCD. Aes-103 is in late pre-clinical development and will be developed through the end of the first three human clinical trials in collaboration with the National Institutes of Health (NIH). Aes-103 has shown potent antisickling effects in both animal models of human sickle cell disease and laboratory experiments with human sickle cells. It has been granted Orphan Drug Designation by the Food and Drug Administration (FDA) and has benefitted from two NIH grants prior to the current collaboration. To the Company's knowledge Aes- 103 is the only drug candidate in or nearing human trials that is targeted to stop cell sickling.

ECI Biotech, Inc. (Worcester) - is a leading developer and manufacturer of affordable and rapid, patented ExpressDetect® diagnostic sensors that can be incorporated into any consumer product or medical device. The platform technology was created through research and development funding from Johnson and Johnson Ethicon and the Small Business Innovative Research (SBIR) grant program from the National Institutes of Health (NIH). Using the power of genomics and a high throughput screen, ECI has developed both broad-spectrum and specific diagnostic sensors for bacterial and fungal infections.

Grove Instruments, Inc. (Worcester) – is developing a completely painless, noninvasive technology that accurately measures blood sugar at the point of care. Grove's noninvasive glucometer removes all the barriers to optimal self monitoring of blood glucose. Grove's patented technology uses light to measure real-time blood sugar in about 20 seconds, without blood, needles or pain. The Grove Glucometer is portable, battery operated, fits in a shirt pocket and requires absolutely no ancillary equipment (swabs, stylets, strips) essential for current blood-based instruments. Grove's Glucometer is a truly disruptive technology and can displace all current devices for home and point of care glucose monitoring.

MoMelan Technologies (Cambridge) – is a therapeutic medical device company developing the 'Epidermal Expansion System,' a point-of-care, compact desktop medical device which will provide dermatologists and wound care specialists with the first viable approach to perform

standardized epidermal skin grafting in under one hour in a simple, yet effective method with high reliability and repeatability.

Myomo, Inc. (Cambridge) - is focused on helping people move again after a neuro-muscular impairment. Starting with robotic technology licensed from MIT, the company has partnered with leading universities and medical professionals to develop a comprehensive rehabilitation system combining robotics, software and specialized treatment protocols. Each component can be employed on its own; however the combined system provides concentric circles of closed loop feedback that promotes patient recovery, facilitates living independently and optimizes healthcare resources. The essence of Myomo's value proposition is to restore movement. In cases such as stroke, the proprioceptive biofeedback aspect of the technology serves as a therapeutic, enabling people over time to perform tasks without the device they could initially only perform with it.

“We are about helping early-stage life sciences companies grow into larger companies and bigger employers, as they develop innovative medical and diagnostic technologies,” said Governor Deval Patrick. “We look forward to working with these companies as they put down roots and grow in Massachusetts, supporting the future of life sciences and medical technology in our own backyard.”

“We are pleased to add these five promising companies to the Center's investment portfolio,” said Massachusetts Life Sciences Center President and CEO, Dr. Susan Windham-Bannister. “The Accelerator loans reflect our commitment to help fill the gap in working capital that is available to early-stage companies. In this tight global economy, Massachusetts enjoys a reputation as a state where there still is active investing in early stage companies and this makes us a highly attractive place for exciting young companies to locate and grow.”

“The strong interest in the Accelerator Program and diversity of applicants has required us to develop a process that has extensive analysis, objectivity and rigor, through an initial peer review process and subsequent review by the Center's Scientific Advisory Board,” said Dr. Harvey Lodish, Chair of the Center's Scientific Advisory Board, Member of the Whitehead Institute for Biomedical Research, and Professor of Biology and Professor of Bioengineering at MIT. “The awardees are companies whose commercial prospects, scientific innovation, and potential for development of new therapies and devices for the life sciences are consistent with the Center's mission and vision, and we aim to help translate this innovation into creating new jobs in Massachusetts and new life-saving technologies.”

About the Massachusetts Life Sciences Center

The Massachusetts Life Sciences Center (“the Center”) is a quasi-public agency of the Commonwealth of Massachusetts tasked with implementing the Massachusetts Life Sciences Act, a ten-year, \$1 billion initiative that was signed into law in June of 2008. The Center's mission is to create jobs in the life sciences and support vital scientific research that will improve the human condition. This work includes making financial investments in public and private institutions that are advancing life sciences research, development and commercialization as well as building ties between sectors of the Massachusetts life sciences community. For more information, visit www.masslifesciences.com.

About the Life Sciences Accelerator Program

In order to expand life sciences-related employment opportunities, promote health-related innovations and stimulate research and development, manufacturing and commercialization in the life sciences, the Life Sciences Accelerator Program provides loans to companies engaged in life sciences research and development, commercialization and manufacturing in Massachusetts. Target entities are generally early-stage life sciences companies with a high-potential for technology commercialization, rapid growth, and downstream private equity financing. The program is designed to help sustain these companies through a critical stage of development and to leverage additional sources of capital to bring cutting edge innovation to the marketplace.

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