



Press Release

Under Embargo Until September 26 at 12 Noon

\$21 Million Investment in Québec Biotech Start-up to Develop a Treatment for Venous Lower Limb Ulcers

Servier Canada, CTI Life Sciences Fund and Fonds de solidarité FTQ each invest \$7 million to create ILKOS THERAPEUTICS Inc.

Highlights:

- Total investment of \$21 million
- Clinical development of a first line oral treatment for venous lower limb ulcers
- Creation of approximately 10 direct positions including outsourcing

Laval, September 26, 2016 - The Fonds de solidarité FTQ, CTI Life Sciences Fund and Servier Canada are pleased to announce the creation of ILKOS THERAPEUTICS Inc., a new Québec biotechnology firm tasked with the development of S42909, a compound indicated in the treatment of venous lower limb ulcers.

The Laval-based start-up is the result of a combined \$21-million investment by the three equal partners.

According to Normand Chouinard, Executive Vice-President, Investments, at the Fonds de solidarité FTQ, "ILKOS THERAPEUTICS Inc. shows once again that Québec can succeed in the life sciences' sector. Our quality R&D and service infrastructures, combined with the availability of capital, make Québec an optimal location for the development of new therapies. By leveraging collaboration between venture capital investors such as CTI Life Sciences and the Fonds de solidarité FTQ, and Servier, a French organization with a long-standing presence in the province, Québec is at the vanguard of biomedical innovation. Innovation also involves coming up with new ways to invest by sharing the risk with pharmaceutical firms while capitalizing on their expertise."

For Ken Pastor, General Partner at CTI Life Sciences Fund, "This initiative reflects our commitment to capitalizing on Québec expertise in order to implement a large-scale mobilizing project. We are pleased to have the Fonds de solidarité FTQ as a partner in this venture and are honoured that the Servier Group has chosen to join us, particularly since this is the first time this international pharmaceutical firm, which is well established in Québec, is partnering with a VC fund in Canada."

For his part, Frédéric Fasano, Chief Executive Officer of Servier Canada, said: "For Servier, this new partnership is aligned with its research investment strategy in Québec. We launched our Centre of Excellence in Clinical Research in 2014, and now we are investing in a biotech firm. The fact is that what we could do on our own in the past is no longer possible without the help of a network of high-calibre partners. The creation of ILKOS THERAPEUTICS Inc. will make it possible to continue the clinical development

of an innovative drug, which was deprioritized from Servier's R&D strategic priorities. This innovative project reflects the evolution of our business model."

This partnership will ensure the development of an original molecule under a global, exclusive licence granted by Servier to ILKOS THERAPEUTICS Inc.

The target indication is the oral treatment of venous lower limb ulcers, a disease that affects 1% to 1.5% of the population, mainly older people. Current treatment, which besides being only moderately effective for complete wound healing and limited to compression bandages and local wound care, is labour intensive, accounting for 1.5% to 2% of the health care budget in countries such as Canada. The new treatment, which seeks to become the first line treatment for venous lower limb ulcers, is a potentially major clinical breakthrough.

The compound has shown promising pharmacological wound healing properties in preclinical trials and was proven to be safe in phase 1 clinical trials on more than 300 healthy volunteers.

The project headed by ILKOS THERAPEUTICS Inc. involves demonstrating the efficacy of the compound during a phase 2A multicentre trial conducted in North America and Europe and involving more than 200 patients.

As part of a collaboration agreement with ILKOS THERAPEUTICS Inc., Servier will coordinate and oversee the trial through Servier Canada's Centre of Excellence in Clinical Research.

Mark Beudet, co-founder of Paladin Labs in 1996 and who headed the lab in Montréal until April, has accepted to chair the board of directors of ILKOS THERAPEUTICS Inc.

Danny Gagné, Manager of the Fonds de solidarité FTQ's life sciences portfolio, Jean-François Leprince, Managing Partner at CTI Life Sciences Fund, and Frédéric Fasano, Servier Canada's Chief Executive Officer, will serve as directors.

About CTI Life Sciences

Based in Montreal, CTI Life Sciences Fund L.P. was created in 2006. The firm makes venture capital investments mostly in high quality biotech and medtech companies at the pre-clinical and clinical development stages, in North America, and primarily in Québec. Since its second mandate in 2014, CTI Life Sciences Fund manages \$245 million of assets. For more information, visit www.ctisciences.com.

About Servier

Servier is an international pharmaceutical company governed by a non-profit Foundation and headquartered in France. With a strong international presence in 148 countries and a turnover of 3.9 billion euro in 2015, Servier employs over 21,200 people worldwide. Corporate growth is driven by Servier's constant search for innovation in five areas of excellence: cardiology, oncology, metabolism, neuropsychiatry and rheumatology, as well as by its activities in high quality generic drugs. Being completely independent, the Group reinvests 25% of Servier's products turnover in Research and Development and all its profits in its growth.

Servier has played a critical role in shaping the medical practice in cardiology and hypertension over the past two decades through its engagement in landmark clinical trials. Servier's marketed portfolio in cardiovascular consists of 12 major products, generating a turnover of more than 1.5 billion euro in 2015. Currently, there are 12 new fixed-dose combinations and 10 new molecular entities in research or development phase, mainly targeting heart failure. This portfolio of innovative treatments is being developed with partners worldwide.

Servier Canada was created in 1978 and is the third subsidiary of the Servier Group. Employing upwards of 325 people, including 160 in Québec, it is tasked with registering and commercializing medications for heart disease and type II diabetes, as well as for the clinical development of new drug candidates. In 2014, the company inaugurated its Centre of Excellence in Clinical Research to support clinical studies from phase I to phase III registration. More recently, Servier Canada diversified its drug portfolio to include coagulation and cancer therapies, the result of new partnerships with two U.S.-based companies.

More information on the Group is available at www.servier.fr.

About the Fonds de solidarité FTQ

The Fonds de solidarité FTQ is a capital development fund that channels the savings of Quebecers into investments. With \$11.7 billion in net assets as of May 31, 2016, the Fonds has helped create and maintain 187,414 jobs. The Fonds has more than 2,600 partner companies and 618,551 shareholder-savers. www.fondsftq.com.

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