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Drug manufacturer gets \$3.8m

N.S. Business Inc. among investors in Origin BioMed
By BILL POWER Staff Reporter | 6:29 AM

A Halifax manufacturer of over-the-counter pain relievers and skin creams plans to significantly increase marketing throughout North America after securing \$3.8 million in funding.

Origin BioMed Inc. has a pain reliever with huge appeal among diabetes sufferers — its Neuragen line of topical products — and has plans to get more of an estimated \$4-billion international neuropathic-pain market.

"This is a company that started off with little more than a computer and a desk six years ago," Wayne Miller, director of marketing and sales for the drug producer, said Tuesday. "Where there are few options for diabetics, we have a product that is effective, providing pain relief for up to eight hours."

The bulk of the cash required to fuel market growth is coming from Avrio Ventures Ltd. Partnership of Calgary, along with venture capital from Nova Scotia Business Inc. and several private investors. Nova Scotia Business Inc. is investing \$1 million.

Pat Ryan, chief operating officer at Nova Scotia Business Inc., said the \$1-million investment in Origin BioMed raises total investment by the development agency in bio-tech and high-tech ventures in recent years to \$16 million.

"In each case we are buying a piece of the company so we're looking at an initial financial return, but we're also looking for long-term economic gains for the province," he said.

The company said the new investment will help drive North American market expansion and place Origin's leading diabetic neuropathy products on American drugstore shelves.

Immediate expansion plans call for the opening of a U.S. office.

Robert Cervelli, president and CEO at Origin, said Avrio Ventures will be an ideal lead investor and partner.

"Their thorough understanding of the health-care and bio-activities sectors, along with their valuable network of global contacts and operational expertise, will strengthen Origin's market-leading position," he said in a news release.



Wayne Miller, director of marketing and sales for Origin BioMed Inc., says the Halifax-based company has developed an effective pain reliever for diabetics. Origin also manufactures skin and lip-care products. (DARREN PITTMAN / Staff)

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BIG INVESTMENTS

Nova Scotia Business Inc. has invested more than \$16 million in bio-tech and high-tech companies:

Origin BioMed Inc., \$1 million — 2007

Intelivote Systems Inc., \$1 million — 2007

Diaphonics Inc., \$2.2 million — 2002, 2005, 2007

Unique Solutions Ltd., \$3 million — 2005, 2007

Tech Link International Entertainment Ltd., \$3 million — 2004, 2007

Dynagen Technologies Inc.,

- » CATO
- » Going Where the Silence is
- » The Grey Zone
- » Sunday Dress
- » The Near North
- » Country Boy
- » Hockey Girl
- » Boularderie Blog
- » Deagh Shaoghal
- » Soulseeker
- » NS Expatriate

Lead investor Avrio Ventures was attracted by Origin's successes in addressing consumer needs through plant-based medicines and botanical drugs, said partner Aki Georgacacos.

"With its strong team, proprietary product line and brand presence, the company is in a great position to capitalize on the tremendous growth and opportunity in the market for neuropathic pain relief," he said.

In announcing the cash injection, Origin noted about 60 to 70 per cent of people with diabetes have mild to severe forms of nervous system damage.

The company said its Neuragen line provided relief for up to 70 per cent of users in clinical trials and is sold in diabetic sections of drug stores, through various health clinics and other retail outlets. Origin also manufactures skin and lip-care products.

Origin employs about 12 full-time employees at its Duke Street location in Halifax and will immediately be looking to hire 10 additional production, sales and marketing and administrative staff.

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PAT RYAN Chief operating officer, N.S. Business Inc.

\$1 million — 2004

Kytogenics Pharmaceuticals Inc., \$1.8 million — 2002, 2004

DHX Media Ltd., \$3 million — 2005

Navitrak International Corp., \$150,000 — 2002

Source: Nova Scotia Business Inc.

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FOOD FOR THOUGHT

" We find comfort among those who agree with us - growth among those who don't. "

Frank A. Clark

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