New Zealand’s biomedical sector to benefit from Australian Government initiative to make
Australia a global leader in life science research commercialisation

Medical Research Commercialisation Fund (MRCF) creates fourth and largest fund

Wellington, 15th December, 2016 – The Australian Government’s launch of the AUD$500 million Biomedical Translation Fund (BTF) this week, an initiative to make Australia a global leader in the commercialisation of biomedical discoveries, will benefit New Zealand’s biomedical sector, says Dr Chris Nave, Managing Director of venture capital firm, Brandon Capital.

The BTF is a pool of public and private capital which will be managed by three venture capital fund managers who were announced this week. Brandon Capital has been allocated to manage the largest fund of AUD$230 million comprising AUD$115 million from the Commonwealth government matched with AUD$115 million from private investors.

The new fund, the MRCF BTF, is the fourth and largest investment fund of the Medical Research Commercialisation Fund (MRCF). Brandon Capital manages the MRCF, a unique collaboration between over 50 of New Zealand’s and Australia’s leading medical research institutes and research hospitals. These organisations contribute biomedical investment opportunities to MRCF funds as well as their expertise to support the development of these discoveries.

In April this year New Zealand joined the MRCF, enabling New Zealand research organisations to become members of the fund and seek investment support for emerging technologies from the third MRCF fund, MRCF3, an AU$200 million fund. Currently six New Zealand research institutes are members of the MRCF*.

“This is a bold and visionary initiative by the Australian Government to ensure Australia reaps the benefits from our world-class medical research,” says Dr Chris Nave, who is also Principal Executive of the MRCF.

“On all measures, Australia and New Zealand produce some of the world’s leading biomedical research, but unfortunately, too often, we see promising discoveries leave our shores early in development, with little value returned. The size of the MRCF BTF provides the opportunity for these technologies to be developed to much later stages in Australia, and in some cases through to the market and importantly patients, retaining greater value and leading to the creation of new jobs and income. The BTF program will be transformative for local industry, providing the ability for research discoveries to be developed from concept to commercialisation in Australia.”

While New Zealand member institutes will not be able to participate in the MRCF BTF, the new fund significantly deepens the pool of investment capital under management by the MRCF, with the
advantages that brings to all members. Promising early stage medical discoveries from New Zealand member institutes can continue to seek investment from MRCF3 and follow-on funding.

Duncan Mackintosh, Brandon Capital New Zealand’s Investment Manager says the new fund means there is now AUD$430 million investment capital available for promising biomedical research, giving the MRCF real scale. “The MRCF is the largest life science investment fund in Australia and New Zealand by quite some margin. We are now competing at a global level and this will benefit our New Zealand investments by getting them greater attention internationally. It will also help us to attract offshore capital for New Zealand discoveries, attention from strategic partners and will mean we can attract and retain talent to run New Zealand investment companies.”

The BTF will see $250 million of Commonwealth government funding matched with private sector capital, creating $500 million for investments in companies with medical research projects at advanced pre-clinical, Phase I and Phase II stages of development.

The MRCF BTF private investors include CSL Limited, Australia’s largest and most successful biotechnology company, and the leading superannuation funds, AustralianSuper, Hesta, Statewide and HostPlus.

Brandon Capital is ranked as one of Australia’s top performing venture capital firms**. MRCF BTF will focus on supporting later stage opportunities, with the MRCF3 continuing to seed promising early-stage discoveries.

CSL Limited will be the only biopharmaceutical investor in the fund and will provide both investment capital and later-stage development and commercialisation expertise.

“CSL is a strong supporter of the need for a greater focus on translational research in Australia. The opportunity for the BTF to support the development of promising discoveries, onshore, is very exciting,” says Dr Andrew Cuthbertson, Head of Research and Development, CSL.

“The MRCF-BTF will not only have access to the pipeline of opportunities and capabilities of its member medical research organisations, it will also have access to the global medical research development capability and expertise of CSL,” says Dr Stephen Thompson, co-Managing Director at Brandon Capital.

It is anticipated the MRCF BTF will begin making its first investments in early 2017.

*New Zealand MRCF members: Auckland Cancer Society Research Centre, University of Auckland; Institute for Innovation in Biotech, University of Auckland; Brain Health Research Centre, University of Otago; Malaghan Institute of Medical Research; Ferrier Research Institute, Victoria University of Wellington; Callaghan Innovation.

**In an Australian Financial Review ranking of Australia’s top performing venture capital and private equity funds (31 August 2016), Brandon Capital’s Brandon Biosciences Fund 1 was ranked second.
Notes to Editors:

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About Brandon Capital and the MRCF

Brandon Capital Partners is a venture capital firm that manages the MRCF collaboration which provides seed and venture capital investment to support the development and growth of Australian life science companies.

Established in late 2007, the MRCF is a unique collaboration between major Australian superannuation funds, over 50 leading medical research institutes and research hospitals in Australia and New Zealand. The MRCF supports the development and commercialisation of very early-stage biomedical discoveries originating from these member research organisations, providing both capital and expertise to guide the successful development of new therapies. MRCF3 was established with support from the Australian and New Zealand governments, as well as the state governments of Victoria, New South Wales, Queensland, South Australia, Western Australia and Australian Capital Territory. The MRCF is Australia’s largest life science investment fund.

The first MRCF fund, MRCF1, of $11 million was raised in 2007, then in 2008 the $50 million Brandon Biosciences Fund 1 was established. The MRCF2, a $40 million fund supported by the Innovation Investment Fund Scheme, was raised in 2011. In 2015, MRCF3 was established, with $200 million raised to continue to support promising Australian and New Zealand biomedical discoveries. In 2016, $230 million was raised for MRCF BTF to invest in maturing technologies that have progressed to clinical studies.

About CSL

CSL (ASX:CSL) is a leading global biotherapeutics company with a dynamic portfolio of life-saving innovations, including those that treat haemophilia and immune deficiencies, as well as vaccines to prevent influenza. Since our start in 1916, we have been driven by our promise to save lives using the latest technologies. Today, CSL — including our two businesses CSL Behring and Seqirus — operates in over 30 countries with more than 15,000 employees. Our unique combination of commercial strength, R&D focus and operational excellence enables us to identify, develop and deliver innovations so our patients can live life to the fullest.