



FOR IMMEDIATE RELEASE

Xagenic Announces Second Closing of \$25.5M Series B Financing

Toronto, ON (July 14, 2014) – Xagenic Inc., a molecular diagnostics company developing the first lab-free molecular diagnostic platform with a 20 minute time-to-result, announced today a second closing of its recently announced Series B financing, bringing the total raised in this round to \$25.5 million. In conjunction with this closing, new investor BDC Capital joined as an investor and Dion Madsen, Senior Managing Partner at BDC Capital, will join Xagenic's Board of Directors.

"Securing this additional financing from high-quality new and existing investors demonstrates confidence in the Xagenic X1™ platform. We look forward to continuing our development program in anticipation of our analytical and clinical study start later this year," said Shana Kelley, Founder and CTO of Xagenic. "Our enzyme-free molecular diagnostic platform will provide significant advantages in patient care by bringing nucleic acid amplification test (NAAT)-like performance to the physician office with a testing time of 20 minutes."

"We are delighted to add BDC Capital to our syndicate of top tier investors, and we are grateful for the continued commitment and support from our existing investors," said Bruce Cohen, Xagenic's Executive Chairman. "I am very pleased to welcome Dion Madsen to Xagenic's Board of Directors."

"Xagenic continues to execute on their plan to commercialize an easy-to-use, affordable, desktop molecular diagnostic system and menu of tests that have the ability to transform the way critical patient diagnoses are made," said Jesse Treu of Domain Associates. "I look forward to working with Dion and the rest of the Board to enable the company's innovative vision for healthcare."

About Xagenic Inc.

Based in Toronto, Ontario, Xagenic is a privately held molecular diagnostics company developing a fully-automated molecular diagnostic platform that will enable lab-free testing with a time-to-result of 20 minutes. The company is developing a menu of infectious disease tests that will have a positive impact on patient care and reduce health care costs. The company is supported by private investors, including Domain Associates, CTI Life Sciences Fund, the Ontario Capital Growth Corporation and BDC Capital. Xagenic recently received the Frost & Sullivan 2014 Point-of-Care Diagnostics New Product Innovation Leadership Award. For more information, please visit <http://www.xagenic.com>.

About Domain Associates

Founded in 1985, Domain Associates, L.L.C. is a venture capital firm with an exclusive focus on investing in life science companies that advance human health. Domain's focused network, deep experience, and dependable reputation have made it one of the top private-equity groups participating in healthcare investing. With more than \$2.7 billion in capital raised, Domain invests in three major segments: pharmaceuticals, diagnostics, and medical devices. The partners of Domain have a total of more than 270 person-years of experience among them in the healthcare and venture capital industries and have been involved in the formation and growth of more than 250 life sciences companies. Representative past investments include Amgen, Amylin Pharmaceuticals, Cerexa, Biosite, Dura Pharmaceuticals, Pharmion and Volcano. Domain has offices in Princeton, N.J. and San Diego. For more information, please visit <http://www.domainvc.com>.



About CTI Life Sciences Fund

CTI is a Montreal-based limited partnership making venture capital investments in high quality emerging life sciences companies at the start-up and clinical development stage primarily in Canada. CTI has a diverse team of professionals in science and finance with extensive experience in the biotechnology and the pharmaceutical industries. The Fund works closely with entrepreneurs and researchers to increase the value of young companies. More information on CTI can be found at <http://www.ctisciences.com>.

About OETF

The Ontario Emerging Technologies Fund (OETF) is a direct investment fund established in 2009 by the Province of Ontario and administered by the Ontario Capital Growth Corporation (OCGC), an agency of the Ministry of Economic Development and Innovation. The OETF is a \$250-million fund that co-invests alongside qualified investors in innovative, high-growth, private Ontario companies. The fund focuses on investments in Ontario companies in three sectors: clean technology, life sciences and advanced health technologies, and digital media and information and communications technology. For more information, please visit <http://www.ocgc.gov.on.ca/>.

About BDC Capital

A subsidiary of the Business Development Bank of Canada (BDC), BDC Capital offers a full spectrum of specialized financing and investment solutions to help Canadian entrepreneurs achieve their full growth potential. With more than \$1 billion under management, BDC Capital takes a strategic, patient approach to nurture companies' development over the long term.

From **venture capital** to **equity** to **growth and transition capital**, our team of over 100 experienced, local professionals partner with entrepreneurs to identify and meet their needs on flexible terms. Some of the sectors in which we specialize include IT, industrial/clean/energy technology, and healthcare. For more information, please visit www.bdccapital.ca or follow us on Twitter at @BDC_Capital.

For more information, contact:

Xagenic Inc.

Shana Kelley, Ph.D.

Founder & Chief Technology Officer

shana.kelley@xagenic.com

1 (416) 363-1999 x400