VENTURE INTO ANEW WAY OF GIVING

BREAKTHROUGH FUND



THE CHALLENGE

SickKids is the birthplace of many great ideas. Some emerge at the bedside with clinicians asking big questions about their patients' health. Others in the lab as our world-class researchers explore new scientific frontiers. These ideas have high potential to impact lives globally. But to do so, they must move from SickKids into the marketplace, navigating the long, exacting path of development and commercialization. Many promising ideas never make it to market. They become stranded in the "valley of death"—the earliest stages leading to commercialization for which there is little to no funding. Not from external foundations or government granting agencies. And not from venture capitalists, who become involved later—once a company has formed and there is potential for return on investment.

HOW VENTURE PHILANTHROPY CAN HELP

A fusion between investing and charity, venture philanthropy is a revolutionary new way of giving back that allows savvy investors to use their expertise in venture capital to do good. The new Breakthrough Fund will harness investor instincts to unleash the potential of SickKids scientific innovation—novel therapeutics, medical devices and platforms that could radically change the way we treat cancer, infectious diseases, neurodevelopmental disorders, and cystic fibrosis. With each investor contributing \$10,000 or \$20,000 each year for five years, the Fund will support Proof of Principle Grants and Entrepreneurs in Residence each year, helping advance research to the point where venture capitalists and partners can bring it to market. As a Breakthrough Fund investor, you will play a vital role in advancing world-changing discoveries today, while generating revenue to fuel further innovation tomorrow.

VISION

SickKids Foundation is launching the first ever fund in support of child health where donors annually pool their money, invest in ideas, and see the return on ideas that are successfully commercialized reinvested in the Breakthrough Fund. The new Breakthrough Fund will speed the path to market and ensure more great SickKids ideas arrive at the bedside by providing support for two areas of critical need¹: the Proof of Principle Grants and Entrepreneur in Residence Program.

Proof of Principle Grants allow investigators to prove a therapeutic concept or build a medical device prototype, demonstrate the value, identify weaknesses for further development, de-risk the project and generally assess the commercial potential of their idea.

Entrepreneurs in Residence are entrepreneurial leaders recruited to SickKids for their proven record of bringing innovations to market and launching new businesses in biomedical fields. Each EIR works parttime in partnership with an investigator and the IP&C team to further develop the business application of the invention, conduct market research, help form a start-up, and attract venture capital.

7-12 YEARS

IS THE APPROXIMATE
TIME IT TAKES FOR A
DISCOVERY TO BECOME
A COMMERCIAL
PRODUCT. THE
BREAKTHROUGH FUND
WILL REDUCE
THIS TIME.



WHY SICKKIDS

SickKids is Canada's most research-intensive hospital—an innovation powerhouse with few peers. More than 2,800 researchers, trainees and staff from around the world come together at the SickKids Research Institute to help understand and prevent disease, find cures and transform health. Few other hospital-based research institutes can match our per capita research productivity and success rates in securing peer-reviewed funding—meaning there is a steady pipeline of high calibre research ready to be tested, developed, and assessed for commercial potential. The Breakthrough Fund will be a critical part of a future SickKids Accelerator.

WHY INVEST IN THE BREAKTHROUGH FUND?

As an investor in the Fund, you will have exclusive opportunities to:

- learn about some of the most commercially promising ideas coming out of SickKids
- · decide annually on the idea you would most like the Fund to support
- follow the chosen idea's progress, through the proof-of- concept, technology development, and start-up formation stages
- network with like-minded individuals who have an interest in commercialization and venture capital
- · receive a tax receipt for your gift

COMMERCIALIZATION PROCESS:

BASIC RESEARCH

APPLIED RESEARCH

PROOF OF CONCEPT*

PRE-SEED INVESTMENT*

EARLY-STAGE INVESTMENT

*Supported by the Breakthrough Fund

RECOGNITION AND BENEFITS	
Gift of \$10,000 per year for five years	Gift of \$20,000 per year for five years
Vote on project to support each year	All benefits of \$50,000 level
Annual update on progress of chosen project	Annual tour of project-aligned lab or hospital area
Name listing in Annual Report and on Donor Wall	Option to join the Breakthrough Fund Investment Committee, a group that pre-screens projects
Networking opportunity with researchers, SickKids volunteers, and leaders in the Venture Capital Community.	Dinner with members of SKF's Board and Hospital Investment Committee - to be held in the Spring before the vote.



¹In some cases, the key to advancing an idea is an investment in supplies or equipment. The Fund would give SickKids the flexibility to invest in these as well as Proof of Principle Grants and Entrepreneurs in Residence.

Today, thanks to research breakthroughs, SickKids regularly saves the lives of children with conditions once considered hopeless. As we look to the future, we're relying on research to help us overcome the toughest child health challenges and unleash the potential of innovation for all our patients. We hope you'll join us.

For more information and to discuss this opportunity further, please contact:

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SickKids Foundation is accredited under the Imagine Canada Standards Program, demonstrating excellence in Board governance, financial accountability and transparency, fundraising practices, staff management, and volunteer involvement.

