

## Biotech industry starts 2010 on upbeat note as survey reveals improved cash situation for firms

January 24, 2010 –Ottawa – Canada’s biotech industry is back in gear doing deals at BioPartnering North America and a recent survey finds renewed optimism amongst industry CEOs. The economic situation in 2009 created a new-found flexibility in the sector, as firms restructured and pursued innovative deals and partnering options to survive. Today, firms are in a better situation financially than in December of 2008, and are starting the year on a relatively upbeat note.

“As a CEO actively in the market, I am seeing renewed optimism, and a lot of energy and excitement among investors about the Canadian sector,” said Gordon McCauley, President and CEO of Allon Therapeutics, a Vancouver-based biotechnology company developing treatments for major neurodegenerative conditions.

The bi-annual survey released by BIOTECanada examines the financing runways of Canada’s emerging biotechnology firms (those without currently commercialized product). At year end, over 70 % of companies reported close to a year or more of cash on hand, up from 30 % in July 2009. Companies reportedly adapted their operations and sought new sources of funding abroad.

Financing remained dominated by US sources, while Canadian sources have been limited. “The new challenge for Canada is to keep operations here and not have firms follow the money,” said Peter Brenders, President and CEO of BIOTECanada, the national industry association conducting the survey. “Over the last year, we saw significant new business incentives announced in the US, China, Norway, the UK, and, just this month, Korea. The research done by this industry is the future of health care, agriculture and industrial manufacturing. Canada is in a globally enviable position right now and we can and should capitalize on the opportunity to plan and invest in our future.” Recognition by the government of the value and role of biotechnology in the economy is consider critical by industry leaders to send a clear positive message to the global marketplace that Canada remains interested in competing.

“Since we started this survey in late 2008, we have seen companies adapt to survive the crisis. The fact remains that firms involved in risky research & development must have an encouraging operating environment out there to support their work. We believe the government has a role to play to make that happen,” said Brenders.

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### ABOUT BIOTECanada [www.biotech.ca](http://www.biotech.ca)

BIOTECanada is dedicated to the sustainable commercial development of biotechnology innovation in Canada. It is the national industry-funded association with over 250 member companies representing the broad spectrum of biotech constituents including emerging and established firms in the health, industrial, and agricultural sectors, as well as academic and research institutions and other related organizations.

