

# International Business Development Strategy

Approved by BIOTECanada Board of Directors December 7, 2017

## 1. EXECUTIVE SUMMARY

The national biotech ecosystem is an economic strength that positions Canada well to compete in the emerging global bio-economy. Central to the growth of Canada's biotech companies is the ability to undertake international business development and attract investment. BIOTECanada undertakes initiatives to link companies to foreign investors and/or business partners for licensing and acquisition.

### BIOTECanada Mission Statement

Leading the advancement of a globally competitive Canadian biotechnology ecosystem

### Core Strategic Objectives

1. Supporting the commercialization of biotechnology in Canada
2. Targeting Investment opportunities for Canadian companies
3. Having a globally competitive regulatory framework

Carrying out the first two strategic objectives listed above can be accomplished by building relationships, generating new business leads, and meeting & presenting to investors. Progress in these endeavours are valid metrics of success.

## 2. SECTOR ANALYSIS

### Sector Overview

BIOTECanada is the national industry association with nearly 250 members located nationwide, reflecting the diverse nature of Canada's health, industrial and agricultural biotechnology sectors. In addition to providing significant health benefits for Canadians, the biotechnology industry has quickly become an essential part of the transformation of many traditional cornerstones of the Canadian economy including manufacturing, automotive, energy, aerospace and forestry industries.

Indeed, Canada is home to a national biotech ecosystem including numerous regional clusters which brings together over five hundred biotech SMEs, world-class universities and research institutes, large multinational pharmaceutical companies and a highly educated workforce. All told, the national biotech ecosystem is an economic strength that positions Canada well to compete in the emerging global bio-economy.

From resource management to renewing manufacturing technologies, new medicines to healthier foods, renewable energy sources to cleaner chemical production, biotechnology is driving vast levels of innovation into all elements of the Canadian economy. Biotechnology is an essential component that will facilitate the reinvention of numerous industries that will in turn ensure long-term competitiveness and secure employment.

If Canada is to compete globally and reap the benefits of a robust biotech innovation industry then it must keep pace with other jurisdictions and attract investment- the fundamental fuel of biotech research and development. To attract investment, the 'hosting conditions' for industry and investors must be as globally competitive as possible. To be successful, biotechnology requires a strong business, financing, and regulatory environment – an ecosystem with the right elements to ensure ideas have a chance to succeed beyond the lab.

Because of the current limited availability of capital in Canada, most biotechnology companies must seek investment opportunities internationally. BIOTECanada strives to support and facilitate interactions between Canadian biotech companies and potential foreign investors. By travelling to international conventions such as BIO, BIO Europe, World Congress on Industrial Biotechnology, and Biotech Showcase, BIOTECanada and partnered organizations host

networking events to promote partnerships that lead to investment in Canadian biotechnology. Attending these trade shows also provides BIOTECanada staff an opportunity to meet foreign investors and invite them to BIOTECanada's flagship event, the annual CEO and Investor Summit.

BIOTECanada supports Canadian biotechnology companies with its annual CEO and Investor Summit, which takes place annually at Whistler, British Columbia. It is a prime example of fulfilling its core objectives of supporting commercialization and attracting investment. This Summit presents a unique and timely opportunity for venture capitalists, commercial partners and pre-commercial companies to meet and share views and perspectives relating to the investment/partnership opportunity Canada's biotech industry represents. In addition to the formal agenda that includes select company presentations, an important feature of this Summit is the opportunity it provides for informal networking and partnership development.

Supporting Canadian companies to attend foreign events allows BIOTECanada to directly fulfill its first two core objectives (as listed above). Hosting a networking event or panel discussion during foreign activities further supports interactions between Canadian companies and potential partners.

### **Subsectors that will be focused on (and reasons for their selection)**

The next several years of international business development will continue to focus on specific fields within the health biotech sector, namely biologic and personalized medicines, as well as therapeutics for oncology and rare conditions. New industry priorities such as CRISPR technology, gene therapy, and research in cannabinoid therapeutics will also be of interest. Companies in this subsector make up the bulk of the association's membership. Activities and business development in health biotechnology will continue to be a priority.

BIOTECanada will refresh and expand its efforts in creating investment opportunities for Canadian companies in the agricultural and environmental biotechnology space. Although companies in this sector make up the minority of BIOTECanada membership, milestones in creating efficiencies in agriculture and environment will be of utmost importance as the national and global populations continue to grow. Expansion of these industries are becoming an association priority.

### **Target Locations for Business Development**

BIOTECanada members have expressed that they find value in attending BIO International Convention, BIO Europe, World Congress on Industrial Biotechnology, Biotech Showcase, and JP Morgan Annual Healthcare Conference.

These companies have also expressed that at this time, they are currently focused on growing their business partnerships with companies and investors in the US and in Europe for health biotechnology. However, more and more companies are gaining interest in Asian biotechnology markets, and as a result this will be a new target location for BIOTECanada.

For agricultural and industrial biotechnology subsectors, Canadian companies are currently focused on attracting foreign partners primarily within the US. This is due to proximity, availability of capital, and a compatible regulatory framework.

### **Target Partners**

The primary goal for Canadian biotech companies in foreign business development is to form relationships with both venture capitalists/investors and large pharmaceutical companies. Primary end goals include financing, out-licencing, and partnering.

BIOTECanada continues to work with its regional partners to identify Canadian companies who would benefit most from financial assistance to travel to these events. In the past year, the association has greatly expanded its outreach to non-member Canadian biotechnology companies. We have offered GOA funding to many non-member companies and hope to continue to increase this outreach with the help of information provided both by the organizations who facilitate these events, and also by the Canadian trade commissioners who work to form Canadian delegations.

We have worked closely with staff from Canadian consulates in key cities. Their recommendations on a variety of logistical information have been invaluable.

BIOTECanada hopes to continue to leverage its relationships with the international organizations that host these events. Many registration fee discounts have been negotiated for BIOTECanada member companies. The association hopes to build on this in the following year to make these events more accessible to emerging companies.

### 3. STRATEGIC PRIORITIES

#### **Strategic Objectives and Desired Outcomes**

Four key outcomes are expected with ongoing efforts to support international business development:

1. Greater awareness of Canada's companies and investment opportunities
2. Continued growth in Canadian company attendance and presentations at top partnering meetings
3. Strong and active Canadian presence at key international events
4. New investments and partnerships for Canadian companies

#### **Suggested Tactical Actions**

- Encourage Canadian companies to participate in foreign events by offering financial support through the GOA travel subsidy program
- Facilitate interactions between these companies and foreign investors by hosting networking receptions that take place around the time of these foreign events
- Continue to negotiate discounts off registration fees for key international conventions
- Further research and reach out to emerging Canadian biotech companies who may benefit from assistance in building foreign partnerships
- Expand network of potential foreign investors through BIOTECanada staff attendance at international events, invite to Whistler CEO and Investor Summit
- Facilitate introductions among company CEOs and industry leaders/potential partners

#### **Measurement of Results**

Canadian biotechnology is not an export industry. It takes many years (usually more than 10) to develop, patent, and have a biotech product approved for sale. The majority of biotech companies in Canada are in the early phases of product development and safety & efficacy testing.

It is essential for these companies to find investors and partners to back the development of their product. Due to the timelines of the development process is so long, the metrics for success in these early stages are primarily related to financing and clinical success.

Building relationships, generating new business leads, and meeting & presenting to investors is of primary importance to small biotech companies. Pursuing meetings and gaining business leads are valid indications of success.