



Standing Committee on Finance and Economic Affairs
99 Wellesley Street West
Room 1405, Whitney Block
Queen's Park
Toronto, ON M7A 1A2

August 28, 2020

Re: Study of the recommendations relating to the Economic and Fiscal Update Act, 2020 and the impacts of the COVID-19 crisis on certain sectors of the economy

Dear Members of the Standing Committee on Finance and Economic Affairs,

OBIO is pleased to have the opportunity to contribute this written submission to the Standing Committee on Finance and Economic Affairs' report on the impact of the COVID-19 on Ontario's economy. As we look to the future and to a post-pandemic economy, Ontario's health science industry has the opportunity to not only play an important role but also be a pillar of Ontario's economy and an economic driver.

OBIO, the Ontario Bioscience Innovation Organization, was founded in 2009. OBIO is an innovation organization that works to build Ontario's health science industry. We are a not-for-profit and membership-based organization focused on thought-leadership, bringing industry together and helping companies access capital, talent and markets.

Pandemic Impact on Ontario's Health Science Industry

To illustrate the impact that the COVID-19 pandemic has had on the health science industry in Ontario, OBIO has been conducting an ongoing consultation with companies in the health science industry about the effect the pandemic has had on their companies and this submission will share some preliminary data from OBIO's survey.

This survey is being conducted not only to understand the impact of the pandemic but to develop recommendations that will accelerate the development of the health science industry into a driver of the post-pandemic economy and enable companies to succeed faster.

Over 50% of health science companies that have responded so far have reported that the pandemic has negatively impacted their company. We have seen this impact in a variety of ways which will be described in more detail below.

At the same time, nearly 50% of responding companies are more optimistic about the future of the industry compared to one year ago.

Companies have told us that while they were hit hard, especially in the early days of the pandemic as shutdowns brought work in labs and on clinical trials to a halt, they are also striving harder than ever to be successful.

Another significant impact to industry was in fundraising and financing. In ongoing industry consultation, 60% of respondents to OBIO's ongoing survey have said that negotiations for new investment have stopped or been delayed since the pandemic began. Companies told OBIO about Series A investments that had advanced to final stages but were delayed as the investors had to re-prioritize. Others who had planned to start a fundraising round this year have postponed their plans.

In spite of these challenges, this industry is a source of optimism and incredible potential for growth.

93% of respondents to OBIO's survey have reported that they have either increased or maintained headcount since the start of the pandemic. The global market for investing in biotechnology has been one of the few sectors that has continued to grow during the pandemic. Two ventured backed Canadian biotech companies – Fusion Pharmaceuticals and Repare Therapeutics – completed successful IPOs in June 2020, creating hundreds of millions of dollars of value.

OBIO's Early Adopter Health Network (EAHN™)

In the immediate aftermath of the pandemic, OBIO organized webinars that featured industry veterans and investors to provide valuable insight on how to prepare for the unexpected and how to develop a strategic approach to the uncertainty of the pandemic. In addition, we created the OBIO Industry Resources List, a daily updated list of government and business programs and announcements that companies could access.

OBIO also announced the launch of the Early Adopter Health Network or EAHN.

Based on research and consultation with industry and hospital leaders going back to 2017, OBIO designed and created the EAHN as an industry-driven initiative. It partners innovators and health organizations to get innovative technologies into the health care system and to patients faster than ever before, realizing both the health and economic benefits that health science innovators within our own province can offer.

On July 21, OBIO announced the first eight innovation projects at Ontario hospitals, including five COVID-19-related technologies. The companies come from across the province – Flosonics from Sudbury; Therapeutic Monitoring Systems from Ottawa; Awake Labs, Hypercare and Ironstone from Toronto; KA Imaging from Kitchener; and Huron Digital Pathology from St. Jacobs – and are working with hospitals all over Ontario – CAMH, Hamilton Health Sciences, Health Sciences North, Kingston General Hospital, The Ottawa Hospital, Southlake Regional Health Centre and UHN. (Enclosed: OBIO Announces First Eight EAHN Projects - News Release - July 21, 2020.)

OBIO was pleased to have the support of Minister Vic Fedeli as we announced the launch of these first eight EAHN innovation projects.

OBIO Health to Business Bridge (H2BB™) Bootcamp

OBIO's deep industry connections allowed us to realize another opportunity that emerged from the pandemic: highly qualified people downsized from other sectors due to COVID-19 who could benefit from opportunities emerging in the growing health science industry.

Launched on August 17, OBIO's H2BB Bootcamp was designed by industry experts and provides technical and project-management skills to help people gain the industry-specific skills they need to be 'job ready' for an exciting and rewarding career in the health sciences industry.

We are proud to have the support of Skills Advance Ontario and the Ministry of Labour, Training and Skills Development to conduct this important work. (Enclosed: OBIO H2BB Growth and Expansion - News Release - June 4, 2020.)

This is another of the ways in which OBIO and the health science industry in Ontario are responding to the pandemic by proactively analyzing gaps in our economy and taking action by continuing to build industry.

Ontario's health science industry as an economic driver, post-pandemic

To position Ontario's health science industry as an economic driver, post-pandemic, 67% of respondents to our ongoing survey have told us that access to capital should be the top area for focused action and over 50% say a health innovation capital fund is how this should be accomplished. OBIO would be pleased to continue this conversation with the government on the best way to develop and deliver such a fund.

In addition, supporting health science companies as they work to access the local market in Ontario would enable these companies to stay here and grow here as to work to expand globally. Nearly 60% of early respondents to OBIO's ongoing consultation have said that working with industry to

establish a network of early adopter institutions in Ontario should be the top area for action to improve access to markets.

By supporting OBIO's Early Adopter Health Network, the provincial government would be building on an existing successful, home-grown initiative that enables the commercialization of innovation, but it would also get the latest technologies to patients faster than ever before, realizing both the health and economic benefits that health science innovators within our own province can offer.

Finally, OBIO's deep connections within industry have enabled us to identify an opportunity within the labour market to shift highly trained professionals displaced by COVID layoffs into the growing health science industry. With continued support, OBIO's H2BB will be able to ensure that talented individuals underemployed by a global calamity are made job-ready for an industry that can become a driver of Ontario's post-pandemic economy.

When OBIO's consultation with industry is complete, we will share the report with Members of this Committee as we keep the Members of the Legislative Assembly of Ontario and the Government of Ontario updated on the health science industry to take advantage of the opportunity to make this great industry into driver of Ontario's post-pandemic economy.

Sincerely,



Gail Garland
President and CEO
Ontario Bioscience Innovation Organization (OBIO)

Enclosures:

- 1) OBIO Announces First Eight EAHN Projects - News Release – July 21, 2020
- 2) OBIO H2BB Growth and Expansion - News Release - June 4, 2020

OBIO Announces First Eight Early Adopter Health Network Projects to Drive Innovation into the Health System

TORONTO, ON – July 21, 2020 – The Ontario Bioscience Innovation Organization (OBIO®), a not-for-profit organization dedicated to advancing health technology innovation and commercialization, is proud to announce the launch of the first eight [Early Adopter Health Network \(EAHN™\) innovation projects](#).

EAHN is driving innovation in the Canadian health science industry into the Ontario health system through an end-to-end process, extending from technology evaluation to commercialization.

Since the EAHN call for applications on May 14, OBIO has evaluated over 70 applications from across Canada and selected the most commercial-ready technologies. Utilizing industry-driven expertise in assessing health technologies, OBIO has partnered each of these eight leading-edge technologies with Ontario health care organizations to complete rapid evaluations.

“OBIO’s EAHN gives Canadian health technology companies an opportunity to access local markets before expanding globally and a strong reason to anchor themselves in Canada,” said Gail Garland, President and CEO of OBIO. “With EAHN, OBIO is partnering innovators and health organizations to get innovative technologies, including COVID-19-related technologies, into the health care system and to patients faster than ever before, realizing both the health and economic benefits that health science innovators within our own country can offer.”

EAHN is flexible and evaluates innovations across the health technology spectrum, from medical devices and COVID-19 solutions to digital tools that manage the continuum of care, following patients on their care journeys. EAHN will get these innovative technologies into the health care system faster and disseminated.

The first EAHN projects will involve evaluations of the following leading-edge technologies developed by the following scaling health science companies:

Awake Labs of Toronto, Ontario: Awake Labs builds technology to measure stress so adults who have an intellectual disability can spend more time enjoying life. Their smartwatch and mobile apps help improve well-being, reduce the use of intrusive measures, and build trusting relationships between people and their caregivers.

Flosonics Medical of Sudbury, Ontario: The FloPatch helps medical personnel to wirelessly assess and monitor blood flow for critically ill patients, including those with COVID-19, both in the emergency and intensive care rooms.

Huron Digital Pathology of St. Jacobs, Ontario: An artificial intelligence-based image search platform to connect pathologists to the expertise of their colleagues, increasing the speed and efficacy of patient care.

Hypercare of Toronto, Ontario: A mobile-first digital healthcare collaboration app that enables communication and greater continuity of care by connecting the right providers at the right time for patient-centred care in diverse settings such as hospitals, long term care facilities, community care organizations and family practices.

Ironstone Product Development of Toronto, Ontario: An innovative oxygen system to help patients in hospitals breathe better, including those with COVID-19.

KA Imaging of Kitchener, Ontario: World's only portable dual energy x-ray device to provide screening of asymptomatic COVID-19 patients and improved diagnostic imaging in the ICU which can be deployed at any community hospital or clinic

Synaptive Medical of Toronto, Ontario: A novel technology in development to assist in reducing a patient's chance of COVID-19 infection when undergoing diagnostic imaging at hospitals.

Therapeutic Monitoring Systems of Ottawa, Ontario: TMS' Extubation Advisor gives physicians greater confidence in knowing when patients can safely be transitioned off ventilation. The aim of the study is to reduce the chances of complications during treatment of critical respiratory illnesses such as COVID-19.

These technology evaluations will be taking place at the following Ontario health organizations: the Centre for Addiction and Mental Health (CAMH), Hamilton Health Sciences, Health Sciences North, Kingston General Hospital, The Ottawa Hospital, Southlake Regional Health Centre and University Health Network (UHN).

"As we unite the public and private sector to fight COVID-19, OBIO's Early Adopter Health Network is exactly the kind of initiative that the federal government is proud to support," said the Honourable Mélanie Joly, Minister of Economic Development and Official Languages and Minister responsible for the Federal Economic Development Agency for Southern Ontario. "A perfect example of homegrown innovation, this important, industry-driven partnership will get innovative technologies into health care organizations more quickly, and help scaling health science companies to access their local markets, enabling them to grow here and abroad to benefit all Canadians."

Collaboration between the health science industry and Ontario's health care system creates the opportunity to leverage health care as an economic driver for the province.

"Ontario is home to some of the world's most innovative companies with a strong history of developing state of the art health care solutions," said the Honourable Vic Fedeli, Minister of Economic Development, Job Creation and Trade. "Our economic recovery will rely on the growth of these companies and the good jobs they create. As we continue to emerge from the pandemic, programs like OBIO's EAHN get innovative health technologies into our health system and will ensure the growth of the domestic health science industry in Ontario."

OBIO will work with the selected companies and health organizations to support the evaluation of their technology over a period of up to 12 months. In addition, OBIO will continue to work with all EAHN applicants to prepare them for readiness for future EAHN cohorts.

About OBIO

OBIO® is a not-for-profit, membership-based innovation organization engaged in strategy, programming, policy development and advocacy to further the commercialization of human health technologies positioning Canada as a leader in the international marketplace. OBIO advances this goal through collaborative partnerships with industry, the investment community, academia, the health system and government.

About FedDev Ontario

EAHN is supported through the [Federal Economic Development Agency for Southern Ontario](#) as part of a \$6.2 million investment in OBIO to boost investment and market access for companies looking to commercialize their medical innovations. For over 10 years, FedDev Ontario has actively worked to advance and diversify the southern Ontario economy through funding opportunities and business services that support innovation and growth in Canada's most populous region.

For full release on Business Wire, click here:

<https://www.businesswire.com/news/home/20200721005513/en>

OBIO's Health to Business Bridge Program (H2BB) is Preparing the Future Leaders of Ontario's Health Science Industry

Toronto, ON – June 4, 2020 – OBIO's Health to Business Bridge™ Program (H2BB) prepares new hires for careers in Ontario's health science industry, helping companies build for the future in an innovative sector poised for growth.

As we all work to combat the impact of COVID-19, health science companies in Ontario continue to innovate. These companies are progressing and hiring new employees who are knowledgeable, adaptable, and ready to contribute.

H2BB has a proven track record of bringing early career talent up-to-speed quickly, through a combination of industry-specific training and pairing candidates with expert advisors. Already in 2020, OBIO H2BB has 35 new hires from 16 growing companies enrolled in its industry-specific training courses.

"By supporting programs like OBIO's Health to Business Bridge Program, our government is helping develop the talent that will lead our future economy," said Monte McNaughton, Minister of Labour, Training and Skills Development. "Ontario's innovative health science industry is an important part of that future and we are proud to help people prepare for good jobs and exciting, fulfilling careers."

OBIO H2BB: Preparing New Hires to Adapt and Contribute

Health science companies with new hires in H2BB recognize the value of getting new hires up to speed quickly. "Cohesys enrolled two employees in H2BB this year and both individuals are applying what they have learned through the H2BB training to their work at Cohesys," said Mike Tessier, COO and Co-Founder of Cohesys, an OBIO Member. "We are looking forward to enrolling additional employees in the near term."

Epineuron has enrolled additional new hires after the company's first H2BB participant spoke about the direct applicability of the program's training. "What we heard from Epineuron's first candidate in the H2BB program was that the training was especially relevant for someone who was new to the health science industry," said Mike Willand, Co-Founder and CTO of Epineuron, an OBIO Member.

H2BB participants point out how the design of the program helps them accumulate knowledge and skills quickly to make an impact. "The H2BB program provided a great opportunity for me to learn all the processes involved in transforming an idea into a commercial product – which is exactly what I needed to know," said Goli Ameri, Senior R&D Engineer at COSM.

OBIO: Positioning the Health Science Industry for Success

Through H2BB and all its programs like CAAP®, HealthMINT™ and EAHN™, OBIO is growing jobs in the health science industry and preparing the leaders of tomorrow's industry.

With renewed focus on innovative health technology as part of global economic recovery, OBIO is advancing key programs positioning Ontario to be a leader. As the health science industry responds to the COVID-19 pandemic, OBIO has responded in kind. OBIO's EAHN has issued a call for applications from companies to address COVID-19.

To find out more about how H2BB can help your company develop new hires, contact Andreea Norman at andreeanorman@obio.ca. To find out how your company can build Ontario's health science industry with OBIO, contact Grant Burns at grantburns@obio.ca.

OBIO Health to Business Bridge Program™

OBIO Health to Business Bridge™ program (H2BB) has a proven track record in bringing early career talent up-to-speed quickly and giving them a solid footing in the fundamentals of the health science industry. H2BB provides pre-screened candidates, advisors and training for all early career roles, including business, quality, regulatory and R&D, with the support of Employment Ontario.

About OBIO

OBIO®, founded in 2009, is a not-for-profit, membership-based innovation organization engaged in strategy, programming, policy development and advocacy to further the commercialization of human health technologies positioning Canada as a leader in the international marketplace. OBIO advances this goal through collaborative partnerships with industry, the investment community, academia, the health system and government.

For full release on Business Wire, click here:

<https://www.businesswire.com/news/home/20200604005207/en/OBIO%E2%80%99s-Health-Business-Bridge-Program-H2BB-Preparing>