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Life Science Association of Manitoba
Industry Profile Study



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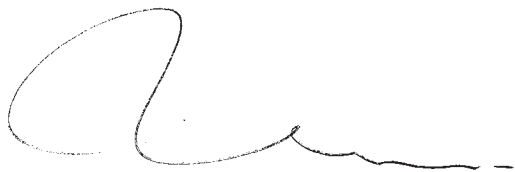
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THANK YOU

On behalf of The Life Science Association of Manitoba (LSAM), we are pleased to present the second Manitoba Life Sciences Industry Profile study, a survey conducted by market and labour research firm kiSquared. The telephone survey conducted in July and August of 2014 resulted in 112 completed surveys from a total population universe of 171 businesses or organizations. Unique to this year's study are two important features: data collected by an objective third party that allows us to guarantee anonymity and confidentiality of response [an important feature to our industry as Intellectual Property (IP) protection is a critical success factor for many of our companies and organizations] and the development of a clear definition of industry respondents to ensure we measure what happens here in Manitoba only and by companies and organizations whose raison d'être is this industry.

This report is designed to profile Manitoba's unique life science industry and to reveal the Industry's successes, challenges and future direction. The report has compared findings with our 2012 study, as well as, two other national studies. Based on this study, we can conclude that Manitoba's life science/bio-economy is strong and stable when compared to the rest of Canada.

We wish to thank all of the survey respondents who gave their time and thoughts to this study. I hope you are able to find your own story in the pages that follow. I believe you will enjoy placing the unique industry performance here in Manitoba within a Canadian context and see that Manitoba's life science/bio-economy is growing, active and planning for an extremely bright future.



Tracey Maconachie
President
Life Science Association of Manitoba

EXECUTIVE SUMMARY

We are pleased to report that Manitoba's life science/bio-economy is strong and more stable when compared to the Canadian industry overall and has bigger plans for future growth than does the Canadian industry overall.

The study highlighted that while the industry is growing, there continues to be challenges and barriers to achieving the full potential. These challenges include raising capital, accessing the Manitoba market and managing the regulatory process. The labour market presents both challenges and opportunities for businesses and organizations this year. On one hand, turnover rates in Manitoba are considerably lower than those across Canada, which may represent a significant advantage for companies who are seeking to grow. On the other hand, Manitoba businesses tend to report greater skills shortages than the norm in Canada, which may limit the level of growth that is achievable. Developing and supporting job and skills growth is critical for the provincial industry.

This report also highlights challenges like raising capital and accessing the Manitoba market as two big obstacles to development, while further opportunities also exist to expand our earnings by increasing exports. Being focused on readying our companies for exporting outside our province and country remains a key priority.

A further good news story is the smaller a firm is in number of employees and the younger a firm is in years, the more likely they are to see themselves as an emerging business with a broad Research and Development (R&D) focus. In some industries, smaller and younger firms are frequently transient and a function of professionals with sideline occupations; in the Manitoba industry, they are better characterized as planning for growth and focused on innovation. In fact, our findings show that while we do have fewer "new" young companies the companies we have are growing, thriving and have big plans to stay that way.

Key Findings

- *There are 171 Manitoba businesses/organizations ("companies" or "businesses") active in the life science/bio-economy.*
- *Similar to 2012 findings, most of Manitoba's life science/bio-economy businesses remain engaged in bio-health activities, with further diversified engagement in agri-biotech, bio-energy and bio-industrial sectors.*
- *72% of Manitoba's life science companies are located in Winnipeg; the proportion of those in the southern areas of the province has increased from 10% in 2012 to 17% in 2014.*
- *The industry employs a total of 6,468 full-time equivalents (FTEs). Manitoba's businesses/companies created 321 new positions last year and most businesses have between 6 and 20 FTE's.*
- *We have seen an increase in companies that have been operating 5 years or more suggesting an increase in the strength of the industry. Compared to Canada overall, Manitoba has a significantly larger proportion of businesses operating 15 years or longer.*
- *More businesses have shifted from pre revenue to revenue (85% vs. 65%), and gross revenue estimates are also larger than in 2012.*
- *Total industry revenues are estimated to be \$817 million. This represents a similar figure to the \$800 million estimated in the 2012 study.*

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- 40% of Manitoba companies raised capital in the last fiscal year, resulting in a total estimated injection of \$74.8 million.
- Manitoba companies are relying more on investors or private equity firms, as well as family and friends to support their business resulting in a drop in the number of companies using government funding.
- Most of Manitoba's life science/bio-economy businesses (81%) are involved in R&D; a significant increase in R&D activity since 2012 (69%).
- Manitoba's industry work force is becoming more educated. Most of today's workforce has some post-secondary education and more businesses/organizations now report employing workers with Master's and Ph.D. degrees as well.
- 45% percent of companies currently report experiencing a skills shortage. This is greater than the rest of Canada who reported shortages of 33% in 2013 and 34% in 2008.
- Manitoba businesses are "thinking big" for the next five years and noticeably more so than their Canadian counterparts; nearly all plan to expand their market share (95%, compared to 49% nationally) and develop new products, services and processes (93%, compared to 66% nationally).

Going forward: the challenges

- Managing the regulatory process was an issue for 67% of Manitoba companies, which is greater than what was observed in the rest of Canada.
- The most common development obstacles facing Manitoba companies centered on raising capital, both within the province (1 in 3 consider it a major obstacle to development) and outside the province (1 in 4 consider it a major obstacle to development).
- Nearly 50% of companies reported that access to the Manitoba market was a challenge.
- Government actions can have a great deal of impact on life science companies, specifically providing research grants and creating more favorable tax incentives (65% and 66% respectively).
- Attracting and retaining employees was one of the three major issues and was considered to be most limiting in companies with less than 20 people (60%+).

METHODOLOGY

A comprehensive list of Manitoba businesses/organizations was developed by the Life Science Association of Manitoba. This list was validated and vetted throughout the interviewing process resulting in several more companies added to the population universe and several removed. The total number of businesses/organizations active in Manitoba at this time that meet the definition of “an organization or company involved in the life sciences including but not limited to all organic based science, agricultural bio-technology and medical devices operating in Manitoba” is 171.

A notification email or letter to promote buy-in to the process was undertaken by LSAM; this notification was repeatedly utilized by kiSquared throughout the fielding process to inform respondents about the study as identifying the correct respondent was sometimes challenging. In total, 112 surveys were completed representing the views of 112 life science/bio-economy organizations. A limit of one survey per company was achieved or attempted.

The kiSquared call return protocol was a minimum of 5; all companies identified in the population universe were included in the data gathering phase. The resulting completion rate is 65.5% with a margin of error at $\pm 3.20\%$.

No service companies, who despite ascribing a proportion of their business to players in Manitoba’s life science/bio-economy but who do not define themselves as a uniquely life science or bio-economy entity, were included. This is a departure from the 2012 LSAM industry study. In order to “correct” the 2012 data for use in this report, records from service organizations were removed to allow for accurate trending.

Two other reports utilized in this report for comparisons to the overall Canadian life science/bio-economy landscape are: BioTalent’s 2013 report *Sequencing the Data: People – Driving Canada’s Bio-Economy* and *BIOTECanada’s 2013 report The Missing Ingredient: Canadian Life Sciences Forecast 2013*.

A guarantee of anonymity and confidentiality of response was provided to each company/respondent. All respondent identifiers were removed from the data and findings are reported in aggregate only.

All data collection, analysis and reporting was undertaken in-house at the offices of kiSquared. Chi-squared testing was employed at the analysis stage to ensure only significant correlations are reported.

Thank you to all the respondents for providing their time, candid opinions and information to us.



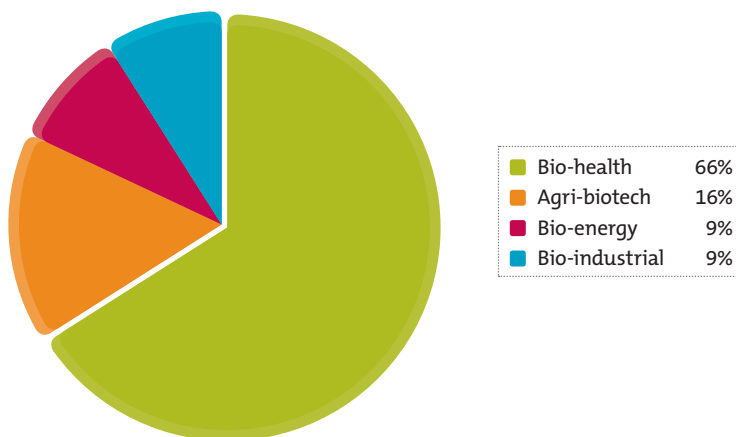
Katherine Devine
President
kiSquared

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INDUSTRY PROFILE

The majority of Manitoba's bio-economy businesses/organizations are engaged in bio-health activities, with a much smaller proportion in agricultural biotechnology (agri-biotech). About one in ten companies are involved in bio-energy or bio-industrial work.

FIGURE 1
Company Sector Classifications



Manitoba's bio-economy sectors have not changed significantly since 2012 (see Table 1).

TABLE 1
Company Sector Classifications Compared

2014 sector designation	2014	2012	2012 sector designation
Bio-health	66%	39%	Medical technology and devices
		25%	Health biotechnology and pharmaceuticals
Agri-biotech	16%	13%	Agricultural biotechnology
Bio-energy	9%	10%	Bioenergy
Bio-industrial	9%	14%	Industrial biotechnology and bioprocessing

Note: 2012 data from LSAM's *State of the Industry 2012*.

As shown in Table 2 below, the largest proportions of Manitoba’s businesses/organizations are engaged with medical devices, functional foods and biopharmaceuticals; notably, many businesses/organizations work in multiple areas *within* a given sector, while only a few work in more than one sector.

TABLE 2
Functional Business Area

Sector	Specific products/branch	Percentage
Bio-health	Medical devices	26%
	Functional foods	14%
	Biopharmaceuticals	13%
	Nutraceuticals	11%
	Diagnostics	10%
	Biologics	5%
	Natural compound bioactives	3%
	Animal health	2%
	Bio-molecules	1%
	Other	18%
Agri-biotech	Plant genetics	9%
	Animal nutritional supplements	1%
	Other	8%
Bio-energy	BioMass/fuel	5%
	Ethanol	2%
	Biodiesel	2%
	Bio-oil	1%
	Other	2%
Bio-industrial	Agri-fibre composites	7%
	Bioplastics	1%
	Other	2%

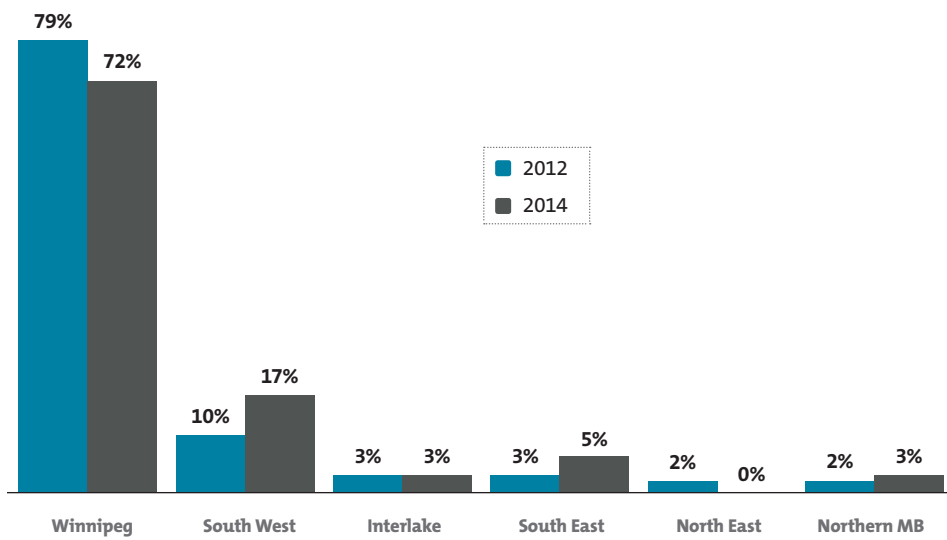
Note: Multiple responses were accepted; percentages total more than 100%.

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Location

The majority of Manitoba's life science businesses/organizations are based in Winnipeg, as shown in the figure below, although more businesses/organizations are now located outside the city in southern areas of the province than in 2012.

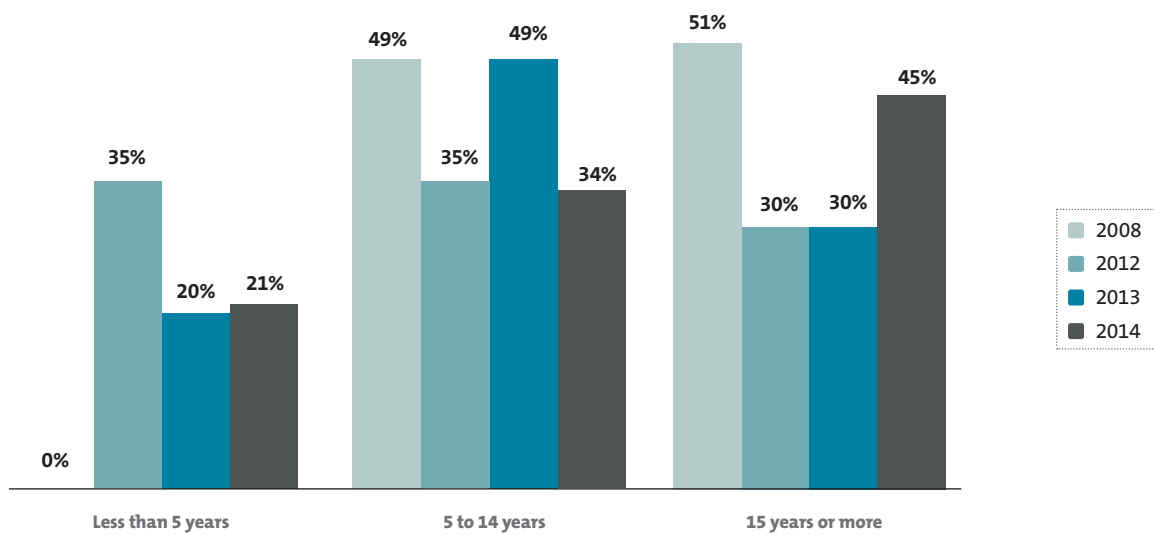
FIGURE 2
Business Location



Note: 2012 data from LSAM's *State of the Industry 2012*.

Figure 3 compares Manitoba to national findings; while Manitoba appears to have a similar proportion of new businesses and organizations as does Canada overall, Manitoba is uniquely polarized with proportionally fewer businesses/organizations operating from 5 to 14 years and significantly more than average operating 15 years or longer.

FIGURE 3
Business Age: Manitoba & Canada

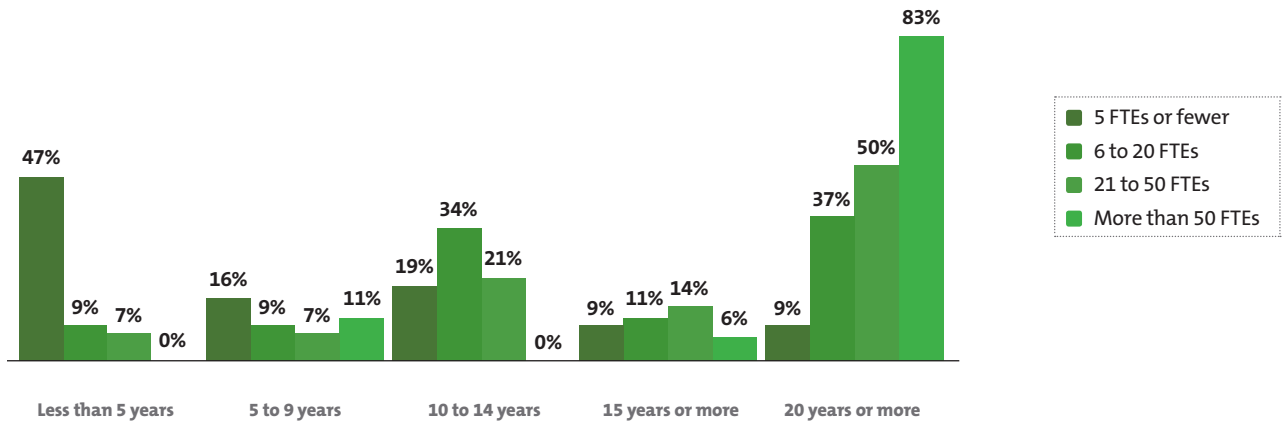


Note: 2013 and 2008 data from BioTalent Canada's 2013 *Sequencing the Data*. 2012 data from LSAM's *State of the Industry 2012*.

There is a significant correlation between the age of a company and its reported number of full-time equivalents (FTEs): the older the company, the larger the labour force; the younger the company, the smaller the labour force.

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FIGURE 4
Business Age by Company Size

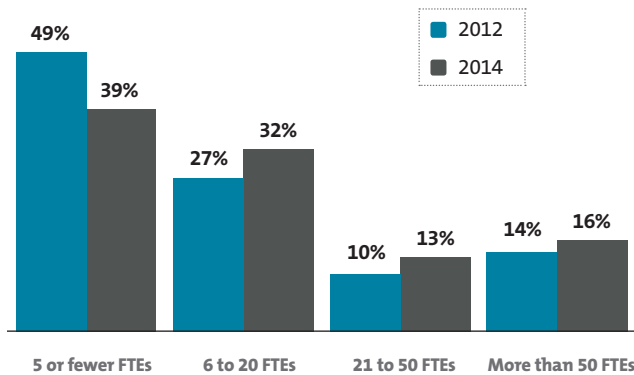


Company Size

This year, Manitoba businesses/organizations employ a total of 6,468 full-time equivalents (FTEs).

More businesses/organizations have larger bodies of staff than just two years ago, when almost half the businesses/organizations were staffed by five or fewer full-time equivalents.

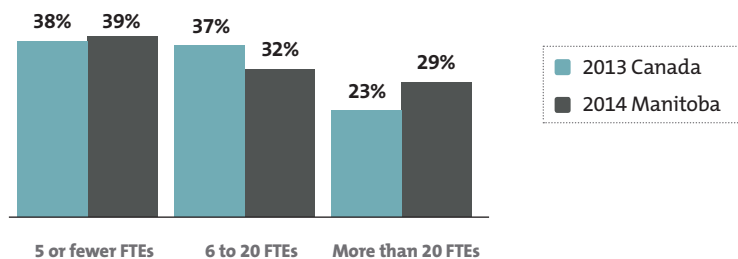
FIGURE 5
Number of Employees Compared



Note: 2012 data from LSAM's *State of the Industry 2012*.

Compared with Canada-wide figures from 2013, more Manitoban businesses/organizations employ over 20 FTEs. Nationally, more businesses/organizations operated with small bodies of staff in 2013.

FIGURE 6
Number of Employees (In FTEs): Manitoba & Canada



Note: Previous years' data from BioTalent Canada's 2013 *Sequencing the Data*.

Bio-energy companies are more likely to employ more than 50 FTEs than other sectors, while bio-industrial companies are most likely to employ five or fewer FTEs.

TABLE 3
Number of Employees by Sector

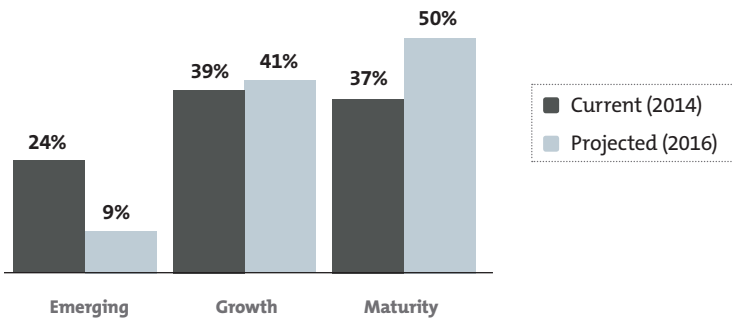
Sector designation	5 or fewer FTEs	6 to 20 FTEs	21 to 50 FTEs	More than 50 FTEs	Median FTEs
Bio-health	39%	33%	14%	14%	9
Agri-biotech	42%	37%	11%	11%	9
Bio-energy	0%	64%	9%	27%	10
Bio-industrial	46%	27%	9%	18%	6

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Business Life Stage

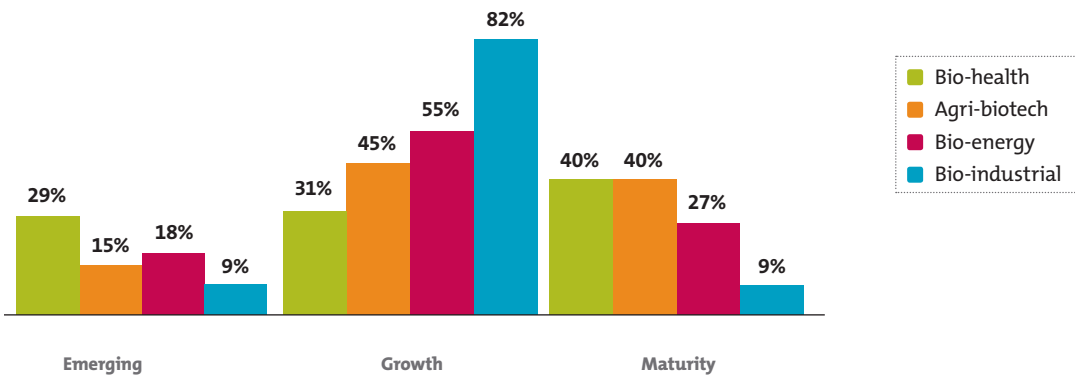
Currently, about four in ten businesses/organizations describe themselves as being in a **growth stage**, which is characterized by gradual increases in innovation and bringing first time products to commercialization. A similar proportion reached the **maturity stage** in 2014, which is typically characterized by proven innovations that are commercialized and profitable. Just under one quarter of businesses/organizations describe themselves as **emerging businesses** with a broad focus in research and development. Half of businesses/companies see themselves reaching maturity in the next two years, and about four out of ten say they will hit the growth stage at that time. Less than one in ten companies say they will remain an emerging business by 2016.

FIGURE 7
Business Life Stage, Current and Projected



Companies involved in the bio-industrial sector are most likely to characterize themselves as being in a growth stage, while bio-health companies are more likely emerging businesses with broad research and development foci.

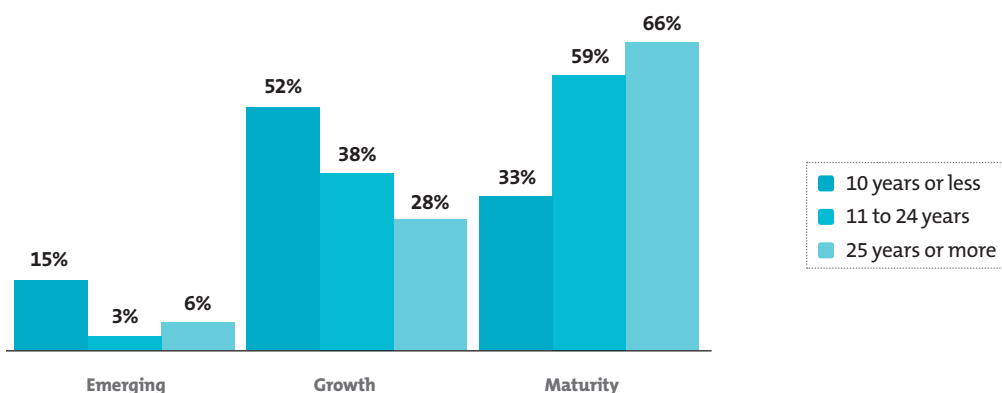
FIGURE 8
Current Business Life Stage by Sector



Smaller companies (with five or fewer FTEs) are more likely to classify themselves as currently emerging, and in two years are more likely to be in a growth stage. Larger companies (over 20 FTEs) are more likely to consider themselves at maturity both now and remaining there in two years' time.

Predictably, younger companies (those in operation for ten years or less) are more likely to classify their current status as an emerging business, and in two years' time, they are more likely than older companies to classify themselves as being in a growth stage. Older companies (those in operation for 25 years or more) are more likely to have reached their maturity stage and expect to stay there.

FIGURE 9
Projected Business Life Stage by Company Age



In 2012, most businesses/organizations had not reached maturity, but were in a growth stage (47%). When asked to project which stage their business/organization might have reached in 2014, most thought they would be in a growth stage (60%). 2012 respondents were somewhat cautious when projecting their business's growth; based on present findings, more businesses have reached maturity in 2014 than was projected in 2012 (37% currently in 2014 compared to a projected 20% in 2012).

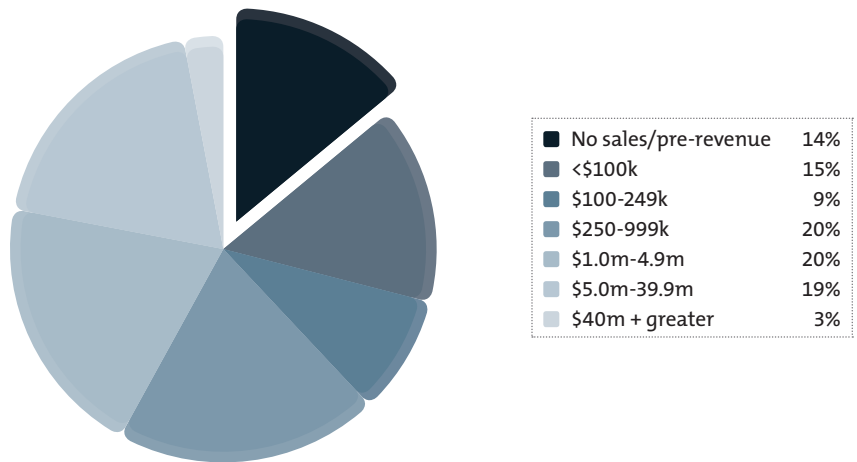
2014 projections are much more ambitious compared to 2012 projections as the proportion of businesses that anticipate reaching either growth or maturity is much greater in 2014 than in 2012; only nine percent of businesses still anticipate being in the emerging stage in two years, compared to 20% when asked the same thing in 2012. This trend also holds for business projections for the maturity stage (50% projected in 2014 compared to 20% projected in 2012).

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FINANCIAL PERFORMANCE

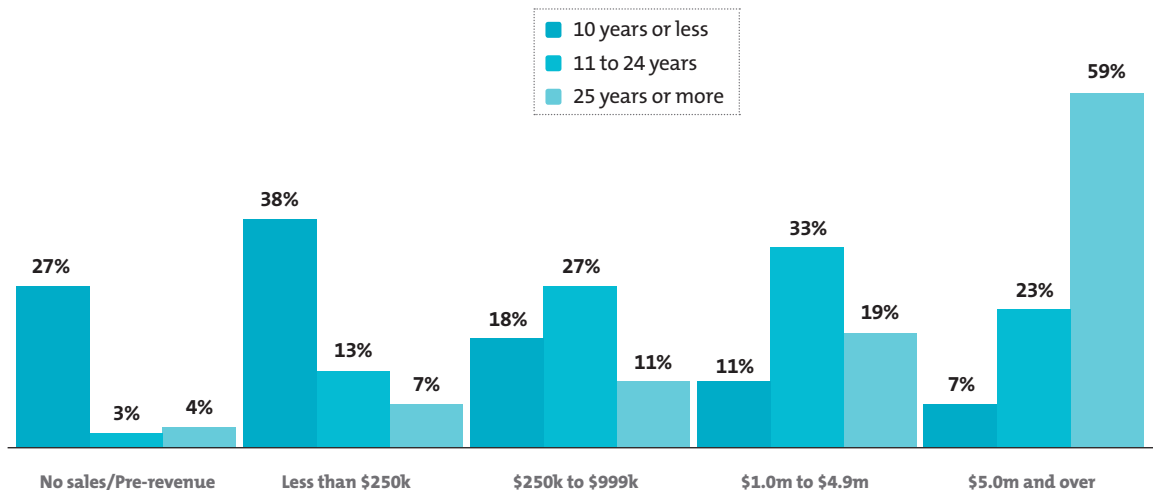
While a small proportion of companies had no sales or are pre-revenue, most companies report revenue from the last fiscal year. 41% of Manitoba companies report revenues over \$1,000,000.

FIGURE 10
Gross Sales Revenue, 2014



Below, Figure 11 illustrates a clear correlation between company age and gross sales revenue: older companies tend to gross more annually than do younger ones.

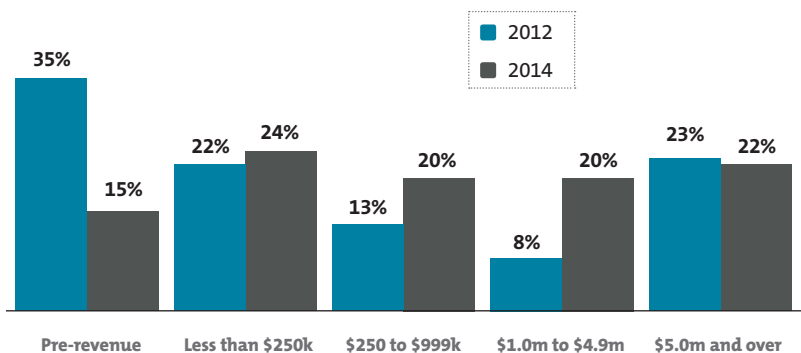
FIGURE 11
Gross Sales Revenue by Company Age



Similar to the previous figure, there is a distinct trend in revenue when considering size: companies with more FTEs gross higher annual revenues. Smaller companies (with five FTEs or less) are more likely to have no sales at a pre-revenue stage and are also more likely than larger companies to gross less than \$250,000 annually. By contrast, all companies with more than 50 FTEs report grossing at least \$5.0 million in the last fiscal year.

Sales revenue data was collected in categories, meaning that a precise industry total cannot be calculated. Based on this categorical data, however, industry revenues are estimated to total between \$633 million and \$1.0 billion (and a midpoint of \$817 million). These numbers represent a similar figure to the \$800 million estimated in 2012 assuming a midpoint was utilized.

FIGURE 12
Gross Sales Revenue, 2012 and 2014 Compared



Note: 2012 data from LSAM's *State of the Industry 2012*.

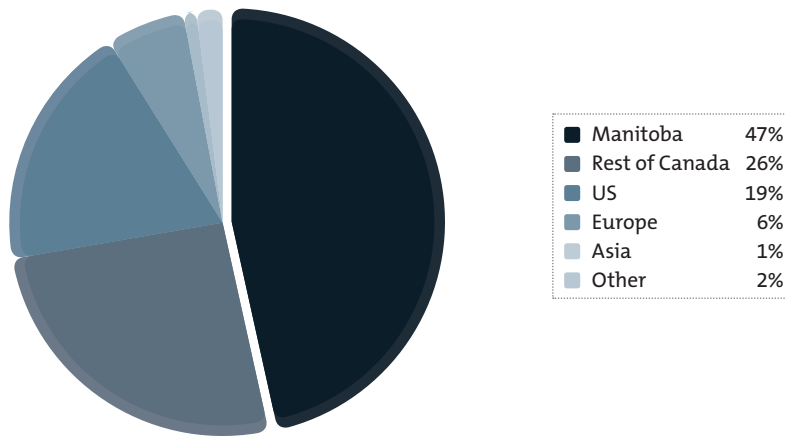
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Exports and Sales Revenue

Of Manitoba companies generating sales revenue, 52% earn revenue from sales outside of Canada. This includes 46% who earn sales in the United States, 26% who earn sales in Europe, and 13% who earn sales in Asia. The vast majority earn sales and revenue in Manitoba (82%) or in the rest of Canada (76%).

Though many Manitoba companies export, they generate most revenues locally or within Canada, with relatively little generated in Europe, Asia, or other markets. Average percentages are shown below.

FIGURE 13
Average Percent of Revenue by Sales Market

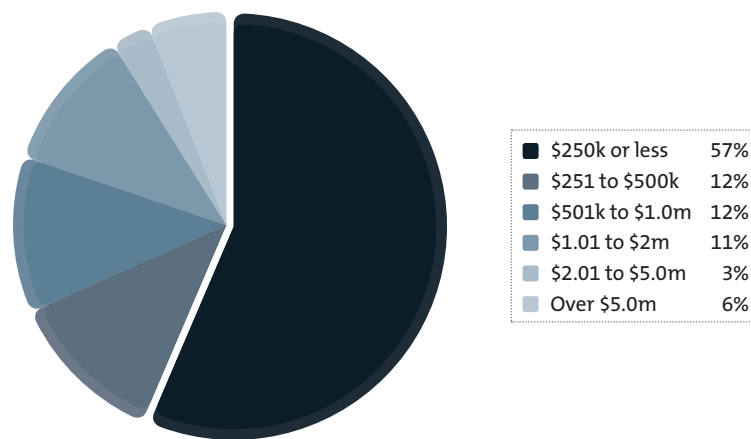


While sales revenues from different markets are very similar to those in 2012, this year there is a greater proportion of revenue generated in the rest of Canada (25% in 2014 compared to 20% in 2012) and less outside the country in the United States (19% in 2014 compared to 22% in 2012).

Raising Capital

Four in 10 Manitoba businesses/organizations attempted to raise capital, aside from earnings, in the last fiscal year. These efforts resulted in a total estimated \$74.8 million, in investment, though most businesses/organizations bring in less than \$250,000 each.

FIGURE 14
Capital Raised in the Last Fiscal Year



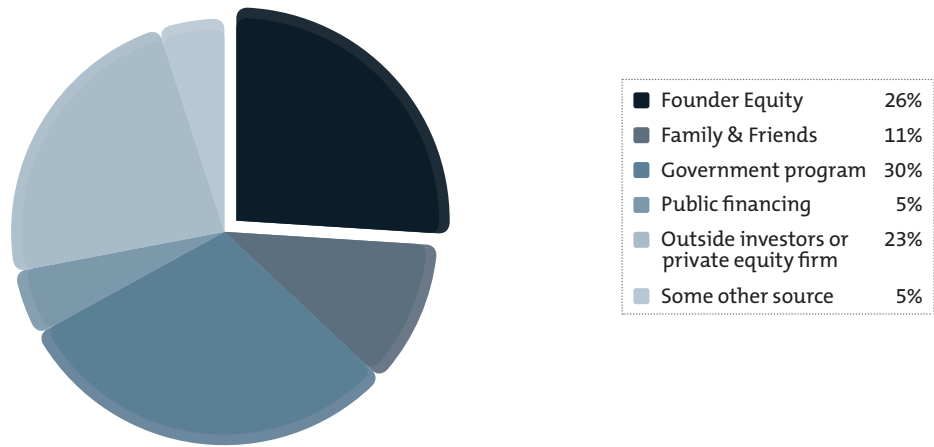
40% of Manitoba organizations raised capital
Total raised: \$74.8 million

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Capital Sources

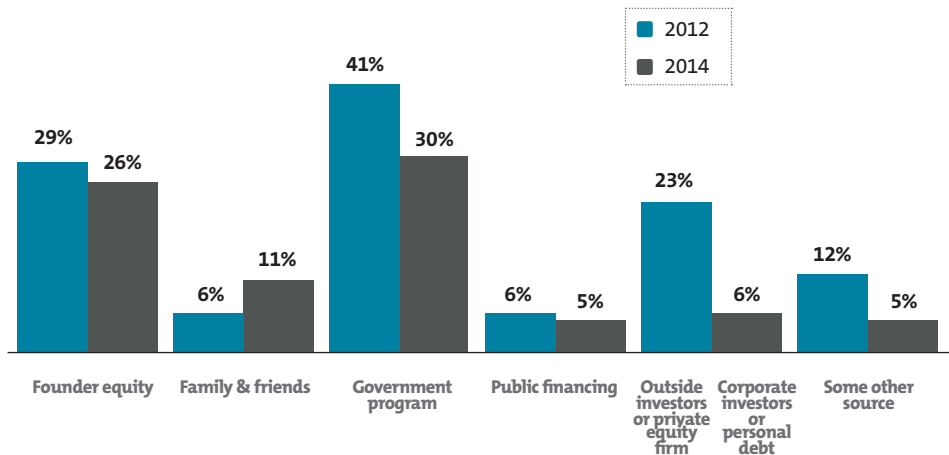
Government programs are the most common source of outside capital with 30% though founder equity is utilized almost as often. Twenty-three percent of Manitoba’s companies also used outside investors or a private equity firm.

FIGURE 15
Capital Sources



Fewer companies relied on government programs in 2014 compared to 2012 and more companies cite contributions from family and friends in 2014 when compared to 2012.

FIGURE 16
Sources of Capital Compared

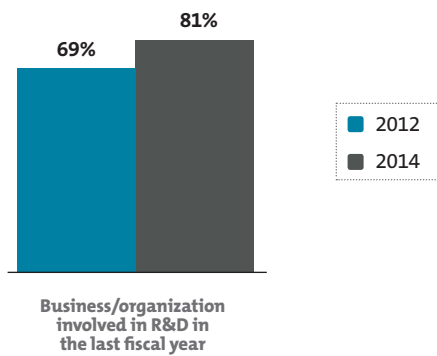


Note: 2012 data from LSAM’s *State of the Industry 2012*. In 2012, “outside investors or private equity firms” was not a response option; in 2014, “corporate investors or personal debt” was not a response option in 2012.

Research and Development

The majority of Manitoba's life science/bio-economy industry was involved in R&D in the last fiscal year. This represents a significant increase in the number of companies taking part in R&D activities since 2012.

FIGURE 17
R&D Activity

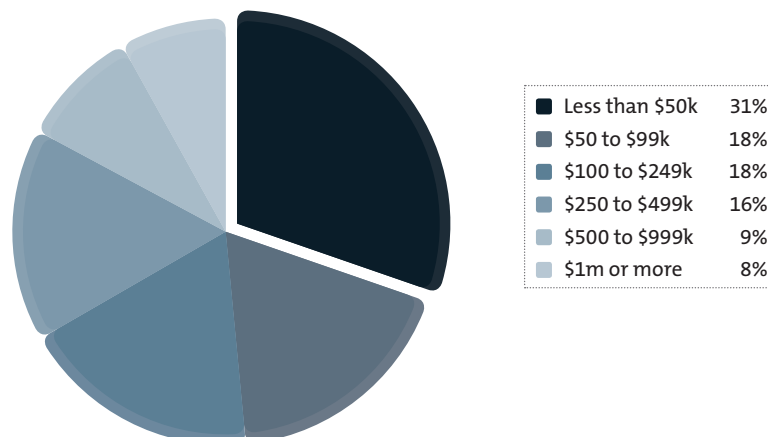


Note: 2012 data from LSAM's *State of the Industry 2012*.

Of the 81% of businesses/organizations involved in R&D, nearly two-third spent more than \$50,000.

R&D expenditures were collected in categories, meaning that a precise industry total cannot be calculated. Based on categorical data, annual R&D spending is estimated to total between \$24.7 and \$52.4 million.

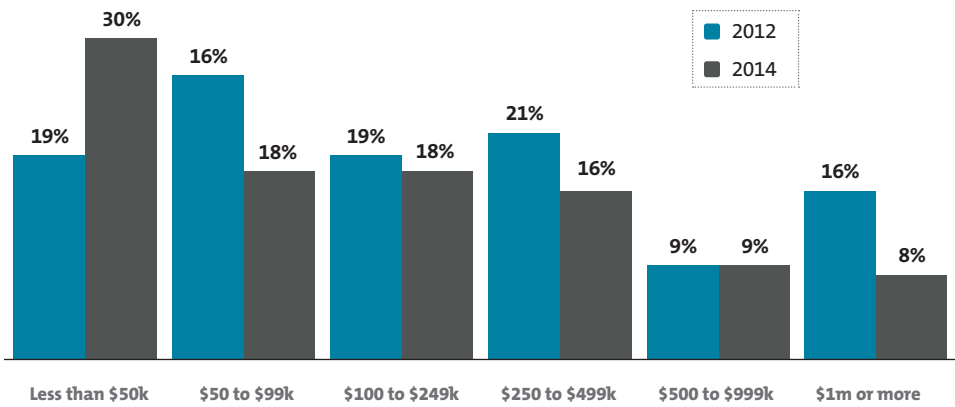
FIGURE 18
R&D Spending



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Perhaps unsurprisingly, smaller companies are spending less on R&D than larger companies, as shown in the figure below. Companies report more frugal spending this year; in 2012, only 19% of companies spent less than \$50,000 while nearly the same proportion spent \$1.0 million or more. Today we see more companies investing at lower amounts.

FIGURE 19
R&D Spending Compared



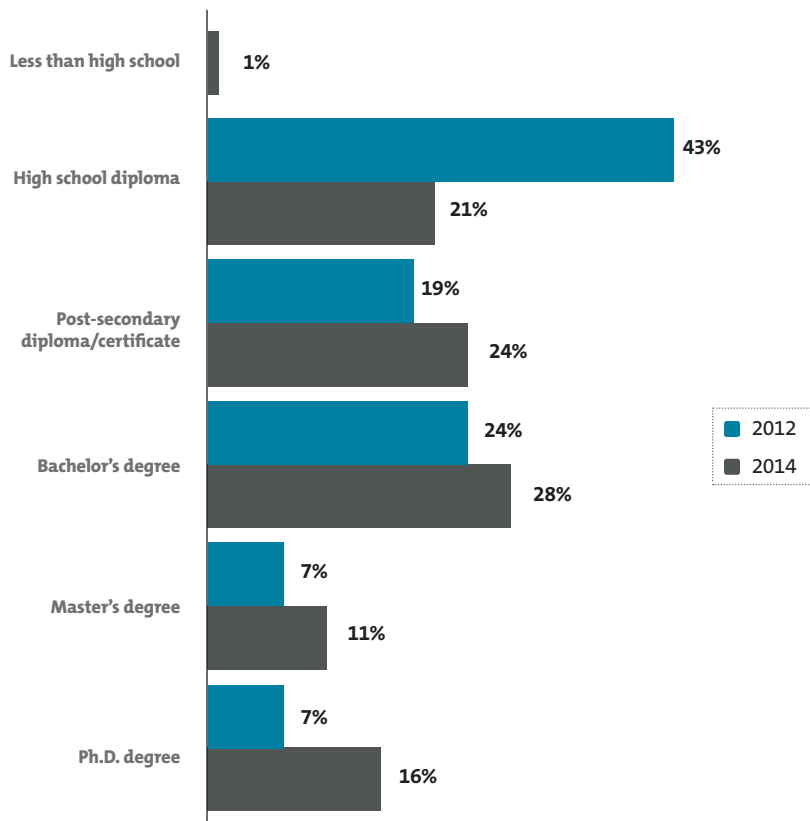
Note: 2012 data from LSAM's *State of the Industry 2012*.

TALENT

Education

Manitoba's life science/bio-economy work force is becoming more educated. Most of today's workforce has some post-secondary education; this proportion is higher reported in 2012 when 43% of the industry workforce reported matriculation. Today, more businesses/organizations report employing workers with Master's and Ph.D. degrees than they did in 2012.

FIGURE 20
Workforce Education



Note: 2012 data from LSAM's *State of the Industry 2012*.

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Turnover and Skills Shortages

Turnover rates across various levels of employment are low. Non-supervisory positions have a slightly higher rate of turnover which could be attributed in part to seasonal positions.

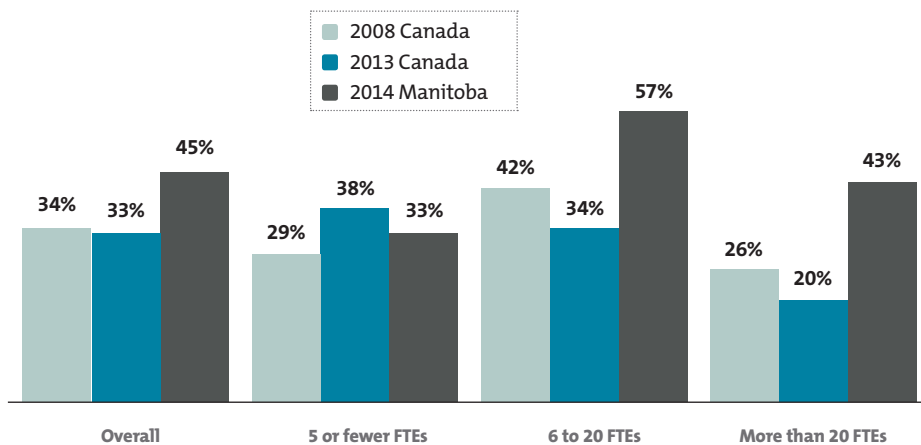
The effects of economic hardships in 2008 are reflected below; though Canada-wide turnover rates have decreased from 2008 to 2013, they are still significantly higher than Manitoba businesses' turnover today.

TABLE 4
Turnover Rates by Year

	2014 Manitoba	2013 Canada	2008 Canada
Senior management/executive	7.7%	14.0%	21.6%
Supervisory/Professional	8.5%	29.6%	32.1%
Non-supervisory/Non-professional	12.5%	36.6%	48.2%

Note: Previous years' data from BioTalent Canada's 2013 *Sequencing the Data*.

FIGURE 21
Existing Skills Shortages by Labour Force Size: Manitoba vs. Canada



Note: Previous years' data from BioTalent Canada's 2013 *Sequencing the Data*.

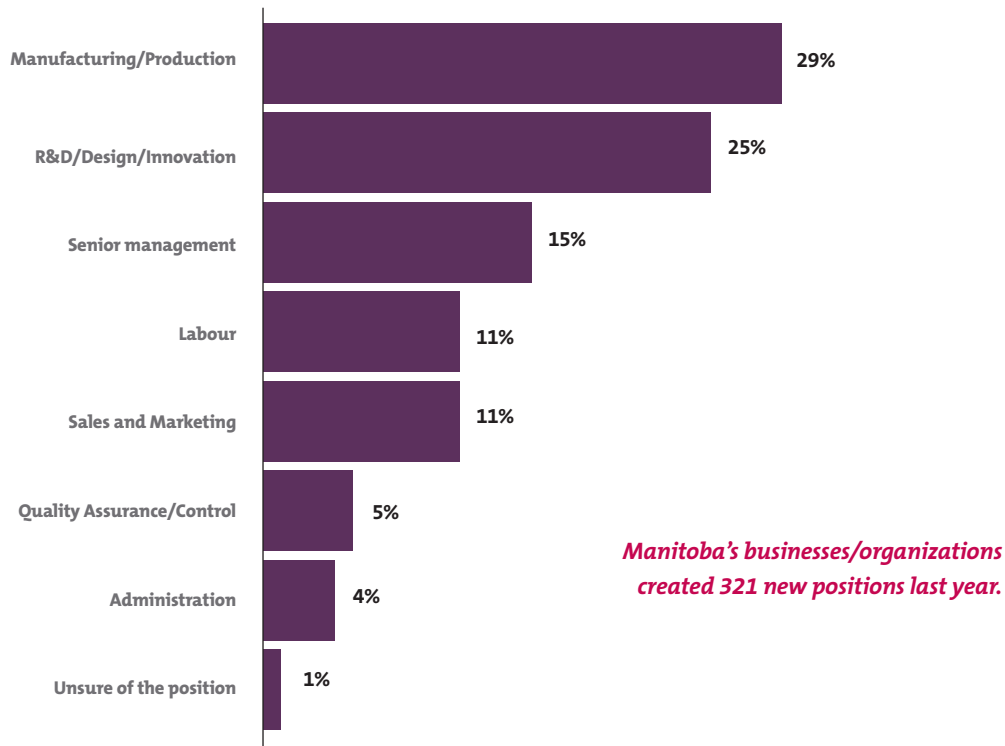
Canadian companies are slightly less likely to describe a skills shortage's impact on their goal achievement as major than are Manitoban companies. This is mostly the case with smaller and mid-sized companies since nationwide, large companies are most impacted by skills shortages.

Unfilled and New Positions

Thirty-eight percent of businesses/organizations report unfilled positions in their company. There are 185 unfilled positions in Manitoba as of July / August, 2014; most can be found at the non-management level.

While most unfilled positions are not at the managerial level, at any level most companies have one or two unfilled positions; larger labour gaps of three or four unfilled positions are more likely to characterize the non-management level.

FIGURE 22
New Positions Added



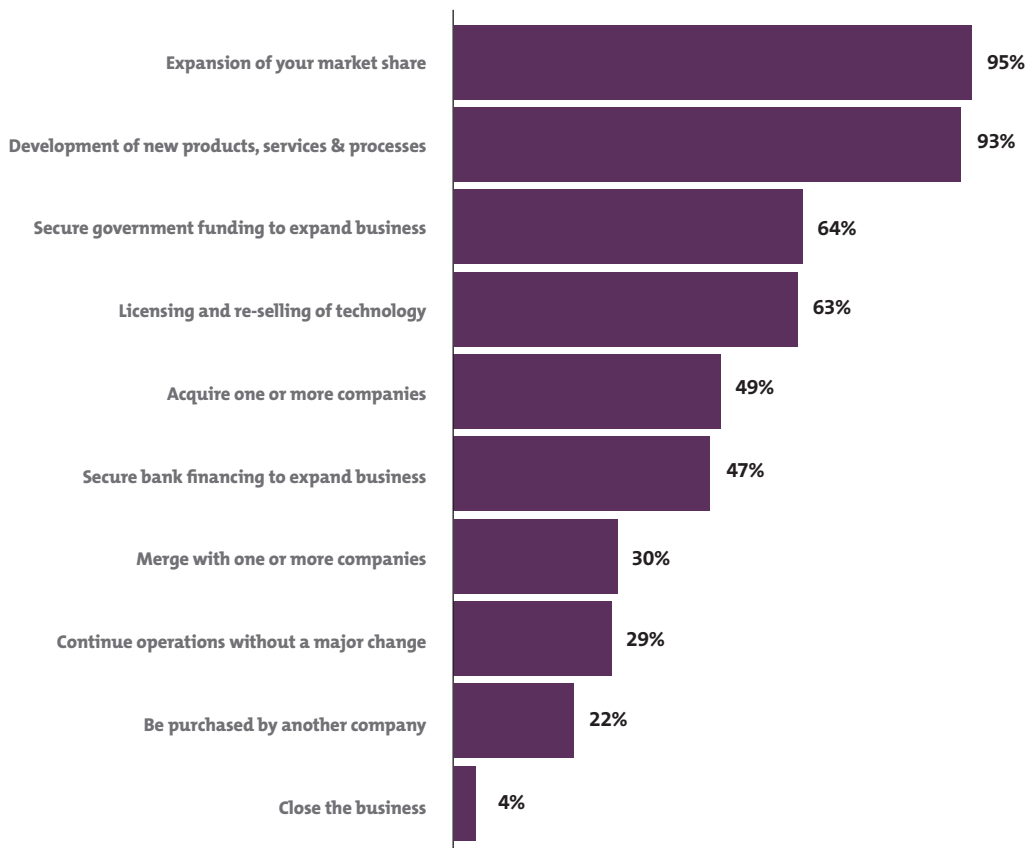
While businesses/organizations expanding their R&D, design or innovation departments tend to add a diverse variety of positions, those expanding their manufacturing and production tend to add a greater volume of similar positions.

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OUTLOOK

Manitoban businesses/organizations are thinking big for the next five years; nearly all plan to expand their market share and develop new products, services and processes. Most expect to secure government funding to further these goals and some will undertake the licensing and re-selling of technology as well.

FIGURE 23
Company Outlook: The Next Five Years



Note: Percentages are “yes” responses.

Compared with Canada-wide figures from 2013, Manitoban companies have more aggressive expansion plans for the next five years. Just under half of Canada-wide respondents last year reported planning to expand their market share, in contrast to nearly all Manitoban companies this year. More Manitoban companies plan to secure government funding than nation-wide, a reflection of other expansion and development plans.

In addition, more Manitoban businesses/organizations are planning mergers and acquisitions than the Canadian average.

TABLE 5
Business Growth Possibilities: Manitoba and Canada

	2014 Manitoba	2013 Canada
Expansion of your market share	95%	49%
Development of new products, services and processes	93%	66%
Secure government funding to expand business	64%	46%
Licensing and re-selling of technology	63%	-
Acquire one or more companies	49%	16%
Secure bank financing to expand business	47%	41%*
Merge with one or more companies	30%	20%
Continue operations without a major change	29%	16%
Be purchased by another company	22%	27%

Notes: 2013 data from BioTalent Canada's 2013 *Sequencing the Data*.

*In BioTalent Canada's report, this item refers to venture capital and not bank financing.

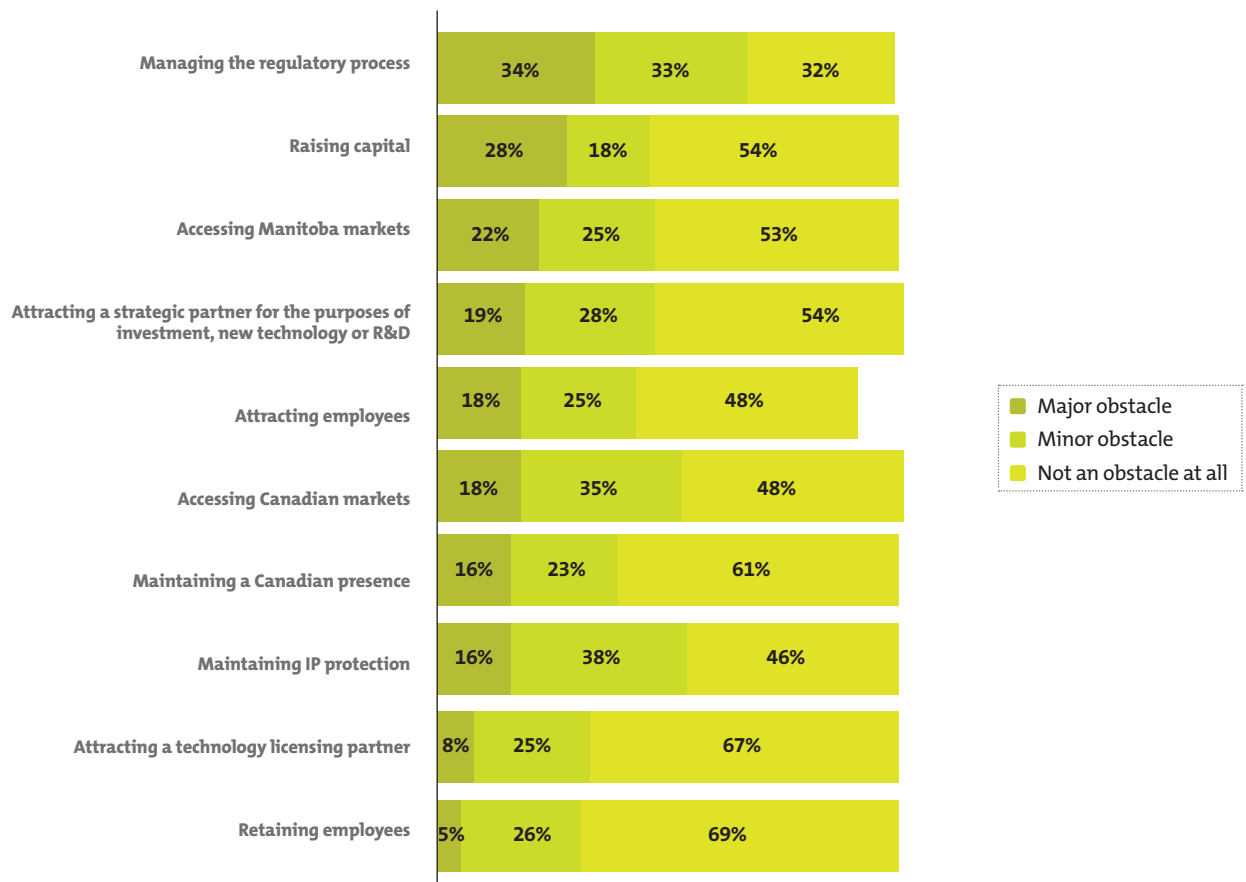
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CHALLENGES

The most common development obstacles facing Manitoba businesses/organizations centre on raising capital both within and outside the province and managing the regulatory process. While more minor, some Manitoba businesses/organizations consider accessing Canadian markets and maintaining IP protection obstacles as well.

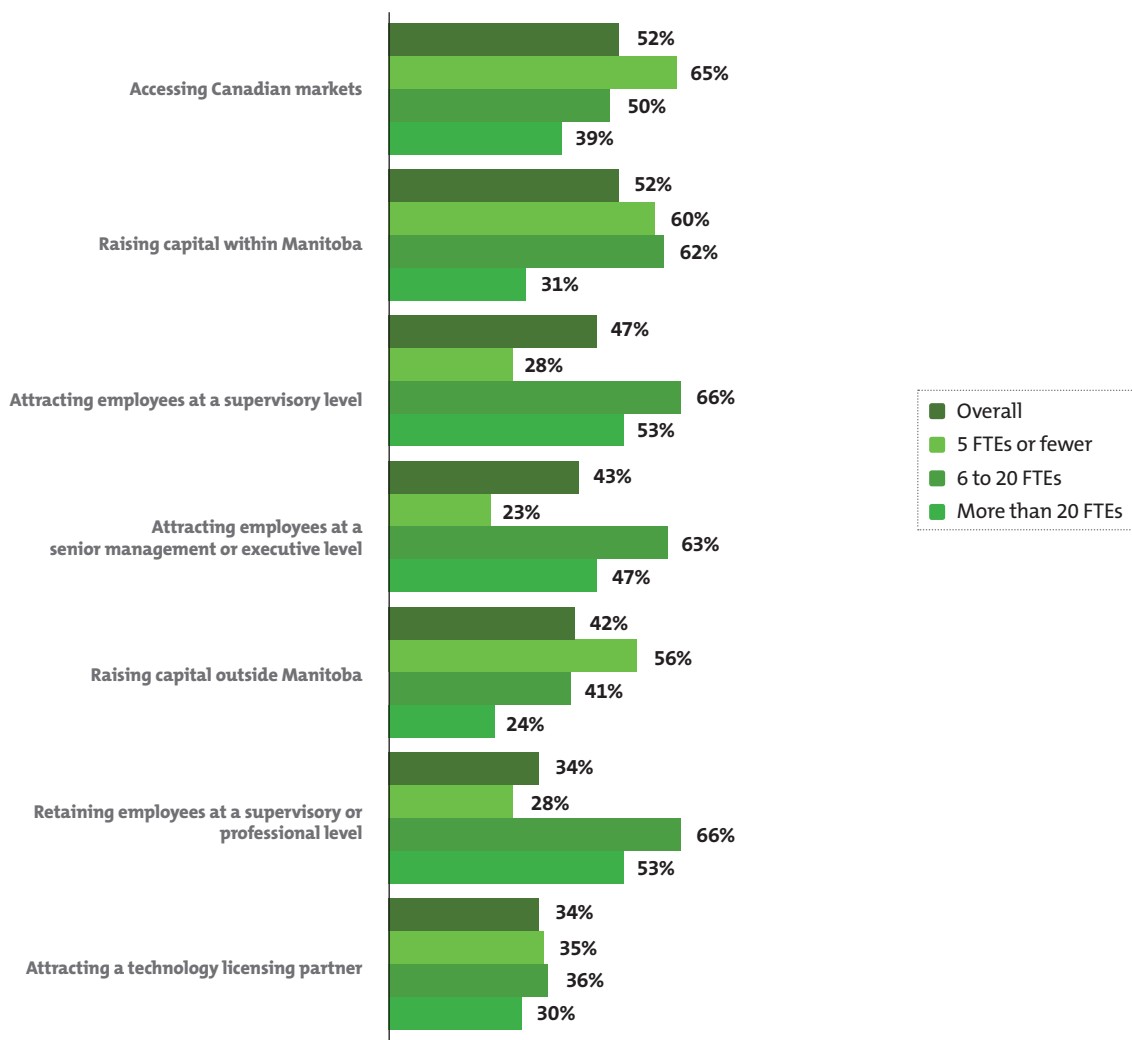
Conversely, retaining employees does not present itself as an obstacle for most Manitoba businesses/organizations.

FIGURE 24
Major and Minor Company Development Obstacles



Small businesses/organizations (those with five or fewer FTEs) are most likely to consider raising capital within and outside Manitoba and attracting a technology licensing partner as obstacles, while businesses/organizations with six to 20 FTEs are most likely to consider attracting and retaining employees at the supervisory level an obstacle. As well, these businesses/organizations are more likely to have trouble attracting senior management or executive level employees. Accessing Canadian markets is more likely an obstacle for businesses/organizations with 20 FTEs or fewer.

FIGURE 25
Significant Obstacles by Company Size



Accessing capital within and outside Manitoba is least likely an obstacle for businesses/organizations in operation 25 years or longer, as is accessing Canadian markets. Attracting employees at a supervisory or professional level is least likely an obstacle for businesses/organizations operating for ten years or less.

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FIGURE 26
Significant Obstacles by Company Age

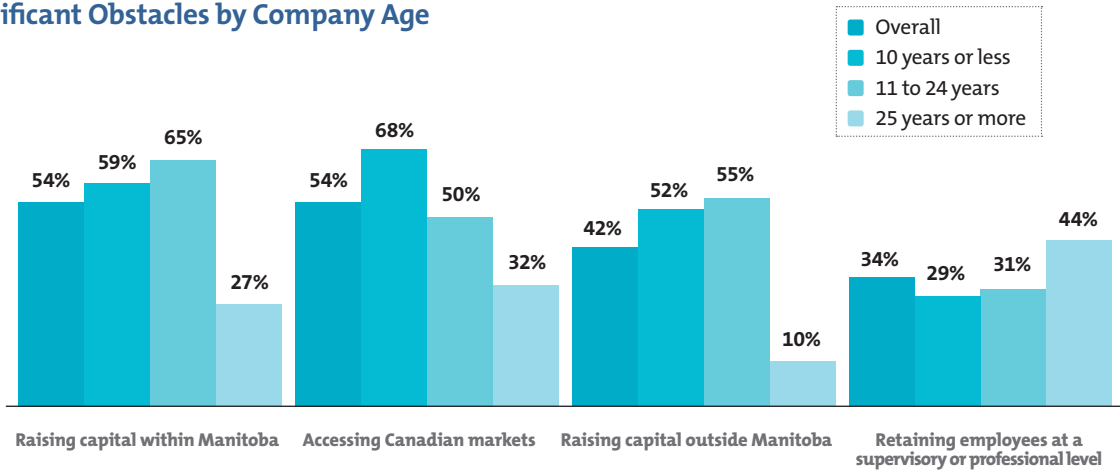


Table 6 demonstrates significant differences between obstacles for businesses/organizations in Manitoba and nation-wide; while three-quarters of businesses/organizations across Canada considered limited access to capital a modest or major obstacle in 2013, just over half of Manitoban businesses/organizations consider raising capital outside the province a minor or major obstacle. An even smaller proportion considers raising capital in Manitoba a major or minor obstacle.

When businesses/organizations nationwide were asked if acquiring assistance with IP challenges was a major or modest obstacle, less than one-third agreed in 2013, while over half of Manitoban businesses/organizations today say maintaining IP protection is a minor or major obstacle for them. Similarly, fewer businesses/organizations across Canada said assistance with complex regulatory procedures was a modest or major obstacle, while over two-thirds of Manitoban businesses/organizations said the same thing about managing the regulatory process.

TABLE 6
Obstacles: Manitoba and Canada

2014 obstacle	2014 Manitoba	2013 Canada	2008 Canada	2013/2008 obstacle
Raising capital within Manitoba	42%	74%	66%	Limited access to capital
Raising capital outside Manitoba	51%			
Managing* the regulatory process	68%	44%	42%	Assistance* with complex regulatory procedures
Maintaining* IP protection	54%	31%	33%	Assistance* with IP challenges

Note: Previous years' data from BioTalent Canada's 2013 Sequencing the Data.
*There are notable wording differences (managing versus assistance) between 2008/2013 and 2014 reports; these results are included for interest purposes only.

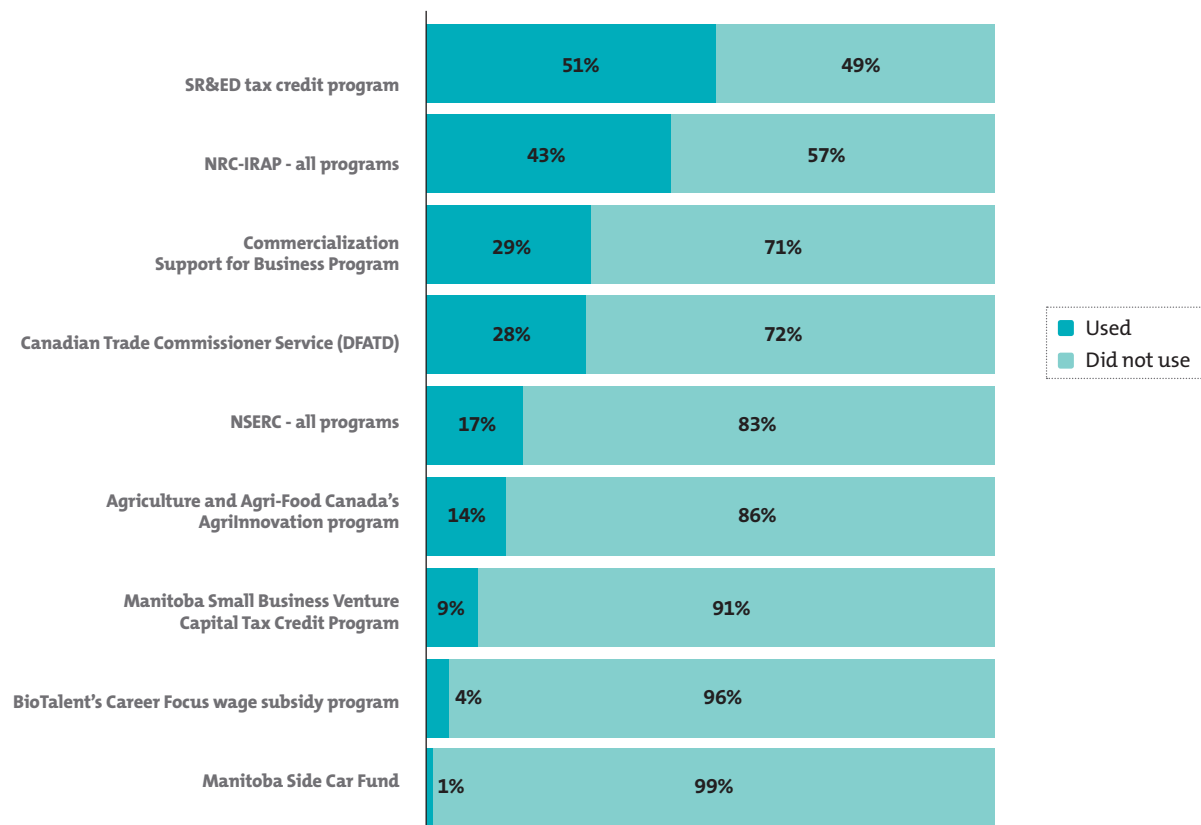
GOVERNMENT SUPPORT

Program Usage

Just over half of Manitoba's companies used the Scientific Research and Experimental Development Program (SR&ED), the most used government initiative tested. About 40% used various IRAP programs, while slightly fewer used the Commercialization Support for Business and the Canadian Trade Commissioner Service (DFATD) programs.

Please note that the Manitoba Innovation Side Car Fund was only recently announced, explaining the low usage.

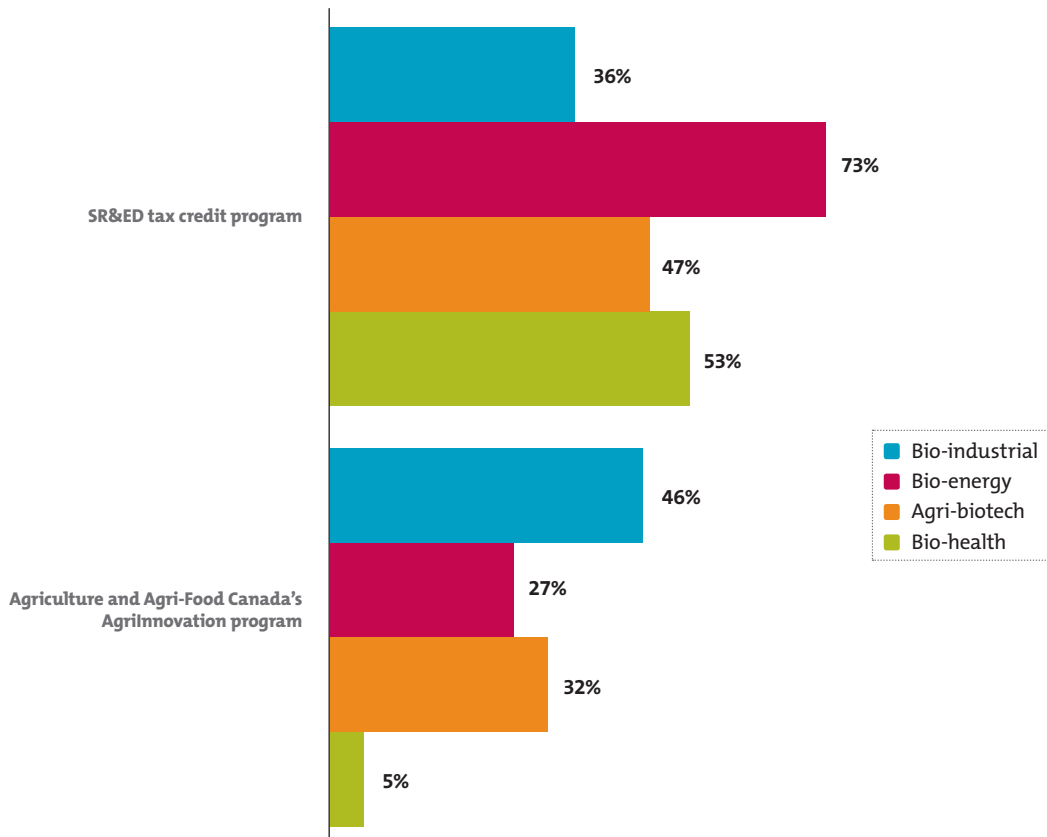
FIGURE 27
Usage of Government-Supported Initiatives



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Bio-energy companies are more likely than other sectors to use the SR&ED Program, as shown in Figure 28. Bio-industrial companies are more likely than others to use the Agriculture and Agri-Food Canada's AgrInnovation program.

FIGURE 28
Usage by Sector

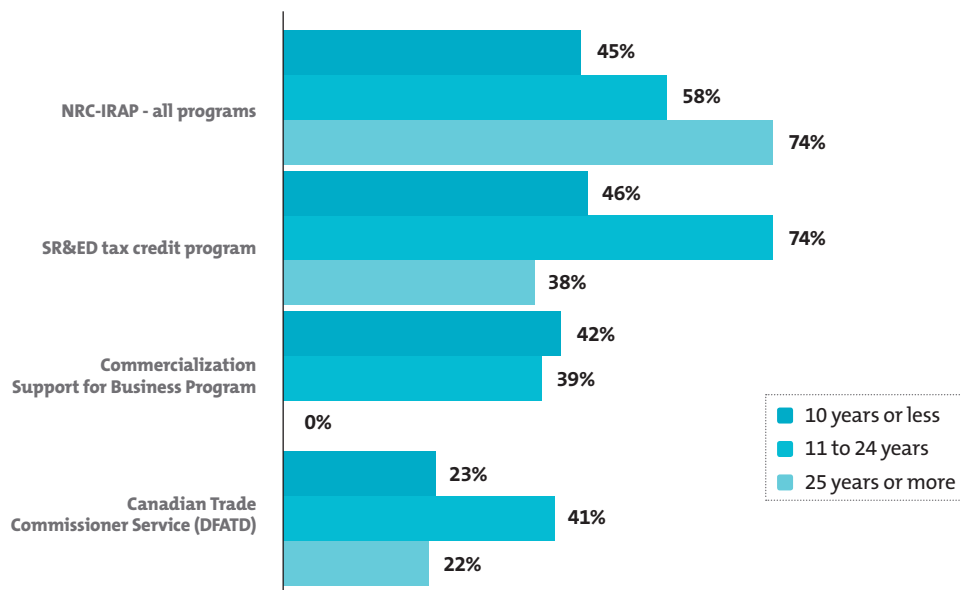


Note: Percentages are "yes" responses.

Companies with 6 to 50 FTEs are more likely to make use of the SR&ED Program, and businesses/organizations with more than 50 FTEs are more likely to use NRC-IRAP programs.

Middle-aged companies (11 to 24 years old) are the most likely to use SR&ED and the Canadian Trade Commissioner Service (DFATD) while, as might be expected, younger companies (ten years old or less) are the most likely users of the Commercialization Support for Business program.

FIGURE 29
Usage by Company Age



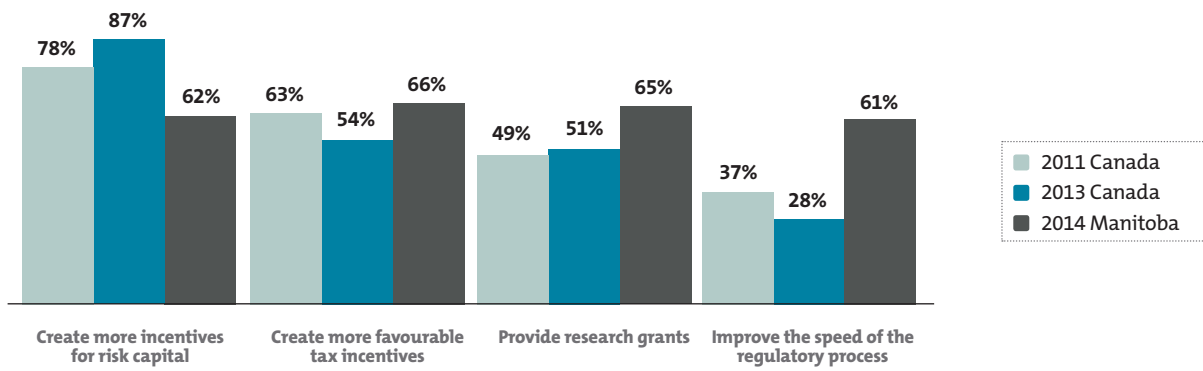
Note: Percentages are “yes” responses.
Only programs with more than five users are included.

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Government Global Support Initiatives Prioritized

When asked about which initiatives government should pursue to help support the industry globally, businesses/companies tend to consider all four actions similarly important. Five percent felt all four are important, while one offered the opinion that none are important.

FIGURE 30
The Importance of Government Actions or Initiatives

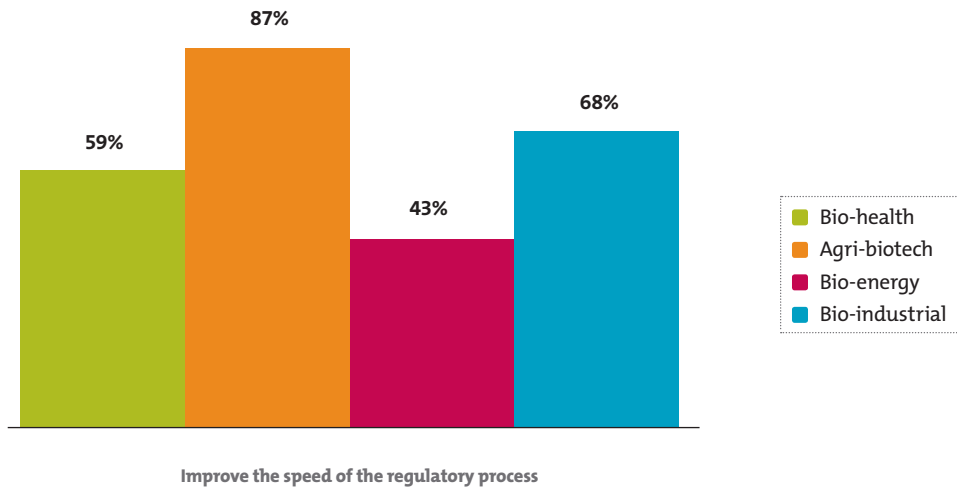


Note: Previous years' data from BIOTECANADA'S *Canadian Life Sciences Industry Forecast 2013*.

Nationwide, creating incentives for risk capital has been considered the most important choice for the last three years, as reported in BIOTECanada's Canadian Life Sciences Industry Forecast 2013. Prior to that, in 2007 creating more favourable tax incentives was foremost for a similar proportion of companies as 2014.

Agri-biotech companies and those outside of Winnipeg feel that improving the speed of the regulatory process is a more important action than those inside Winnipeg.

FIGURE 31
The Importance of Government Actions or Initiatives by Sector





LSAM

Life Science
Association of Manitoba

THE SCIENCE OF LIVING BETTER.