Interview: Andrew Casey – President and CEO, BIOTECanada



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Andrew Casey, President and CEO of BIOTECanada, the national biotech association, provides an update on the Canadian biotech landscape, the strength of the Canadian R&D ecosystem, the growing investor community (both Canadian and foreign) looking to Canada as an untapped land of opportunities, and his hope to position Canada as one of the top three biotech ecosystems globally.

Andrew, when we met in 2013, you gave us a brief overview of the challenges and opportunities within the biotech landscape in Canada. How have things changed in the past four years since we last met you?

Overall, Canadian biotech companies are still facing very similar challenges as they were four years ago.

The first is access to investment capital, which is particularly important to early stage companies. Canada has a very vibrant life sciences ecosystem but it is a very international and mobile industry. We have to compete globally to attract and retain promising biotech start-ups because unlike resource-based industries like mining or oil and gas, ideas are very mobile. The companies and investors are global tourists, who are looking for the best hotels with the best amenities and value for money. If Canada is to be a competitive hotel, then the best amenities take the form of competitive IP regimes, tax policy, streamlined regulatory systems – the public policy equivalents of free wi-fi, free breakfast and rewards programs!

We have 125 pre-commercial biotech companies in the association and there are probably 500 outside of BIOTECanada. These companies are economic assets for this country. Supporting them through their early stages is critically important because ultimately they are developing products that will improve health care and deliver economic benefits to Canada in the process. If we do not put in place measures and public policy to support these companies and attract investment and talent, we risk losing the companies to other jurisdictions that are more competitive.

Another important determinant for commercialization is access to talent. The industry is highly specialized and requires very specific skills, which is less of a challenge today because we are seeing good talent coming to Canada from other countries including the US. In addition, as the life sciences industry matures and companies acquired or merge, more experienced life sciences professionals enter the marketplace.

Finally, on the industry side, the issue of market access is still of concern due to the complexity of the ecosystem. This is important not just for the pharma companies, most of whom are our members as well, but also for the biotech sector writ large, as it benefits from having a solid industry base from which to draw ideas, funding and support. A great example of this is the establishment of Johnson & Johnson's JLABS in Toronto in 2016, which is a new 40,000-square-foot life sciences incubator offering shared lab space and offices, modular lab suites and access to scientific, industry and capital funding experts – the first in the world outside of the US. This is bringing significant benefits to the biotech ecosystem in Toronto and across the country more broadly.

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As an organization, BIOTECanada is rather interesting as it represents a very broad spectrum of biotech players. How does this reflect the Canadian landscape?

Yes, the over 200 member companies that make up BIOTECanada's membership are really a reflection of the different types of companies and entities that make up Canada's biotech ecosystem. I believe it gives us a unique voice within the life sciences ecosystem. The biotech landscape in Canada is very broad and it is important to recognize that. The innovator pharma companies, for instance, are represented by Innovative Medicines Canada (IMC), and they focus a lot on market access, pricing and reimbursement issues, which is their main priority. But the life science environment in Canada as a whole is multi-dimensional and engages a wide variety of players, so BIOTECanada needs to reflect that. When we meet government entities, for instance, we discuss broader topics like the life sciences super-clusters they are planning. It is also important

to break down the very silo-ed approach to healthcare innovation that sometimes exists in Canada. Indeed, a policy priority for BIOTECanada is to ensure policymakers at all levels understand the interconnectivity between the large multinational companies and the important role they play as investors and/or partners with the earlier stage Canada-based companies.

Given the global competition for biotech, is there a niche that Canada should occupy when it comes to positioning itself?

Canada has no specific niche in terms of therapeutic areas, but we have an excellent clinical trials environment that ranks in the top three globally. Canada boasts first-class medical and research infrastructure, great scientists and clinicians, and a similar patient group profile to the US. These are all elements that push innovation. However, while ‘science made in Canada’ is usually well-perceived, I have been told on several occasions that our country is doing an inadequate job in commercializing this excellence and in helping our member companies compete globally.

I believe the Canadian biotech industry can also be a bit bolder. BIOTECanada organizes an annual investor conference and in the past one, I was told that Canadians need to be bolder when they pitch VCs or other investors for funds. There are anecdotes that Canadian biotechs were asking for USD 500,000 when they should be requesting millions, not hundreds of thousands!

Increasingly, however, there is a growing recognition that success in the biotech arena is attainable! We are seeing a new wave of bolder entrepreneurs with stronger personalities and some of them are heading up some truly successful biotech companies. For instance, Clementia, being led by Clarissa Desjardins, had a wildly successful IPO just this August, generating up to CAD 174 million.

Biotech is not like the IT industry; entrepreneurs need to be fairly seasoned because of the complexity of the science and the overall industry. Even in the investor community, many of them have PhDs in biochemistry or biology, because you need to have that background to understand the industry and the science behind a company. The entrepreneurial spirit is healthier than ever within Canada and there are so many impressive leaders within the biotech community in Canada.

I am positive that once we have a couple of strong commercial successes, there will be huge momentum created within the country, which will lead to the ‘creation’ of more entrepreneurs as well as attraction of more companies to Canada. The next 12 to 18 months promise to be very exciting indeed!

What are the characteristics of the investor community in Canada?

We have a very healthy investment community. A number of Canadian funds are very active and have been very successful in growing companies. We are seeing more US and foreign investors enter, which we highly encourage. For instance, US-based Versant Ventures set up a Canadian arm because they saw an underappreciated investment early stage biotech company market in Canada. In December 2016, Versant Ventures joined forces with Bayer, investing USD 225 million, to launch BlueRock Therapeutics, a next-generation regenerative medicine company, in Toronto.

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Every march, we run an investor conference in Whistler, BC, where we bring all our investors together with member companies to facilitate relationship-building. This is critical to the vibrancy of the ecosystem. One thing I did not fully appreciate until recently was the fact that investors themselves value the opportunity to meet other investors, and build partnerships between each other as well.

We also ran breakfast networking events at the annual J.P. Morgan Healthcare Conference in San Francisco in early January, in BIO San Diego in 2016, as well as BIO-Europe and BIO-Europe Spring. We also leverage on our website and we have an active social media strategy.

Based on these networking events that you run, what would you say is the international perception of Canadian innovation?

I think we punch well above our weight. Everybody internationally recognizes that there is great science being conducted in Canada as well as great innovation being generated in Canada. I chair the International Council of Biotech Associations (ICBA). It is very clear that everyone looks up on Canada as an example and it is quite encouraging and helpful to hear this positive views from other jurisdictions, as sometimes we can get too caught up in our own issues and areas for improvement!

Nevertheless, we cannot just sit here and be complacent. We need to work very hard to maintain our strengths and work on our weaknesses – perhaps even harder than other countries given Canada’s population size and limited access to capital.

Is there a final message you would like to give our international audience about the Canadian biotech industry?

Having been in my current role for over five years, I do think the entire biotech industry in Canada is a lot more exciting because it is thriving and also maturing rapidly. We have some really exciting companies that are making great progress, extremely successful IPOs like Clementia

Pharmaceuticals, Aquinox and Zymeworks – and then when you consider what these business successes mean concretely in terms of innovative cures or therapies that will change people's lives for the better, I am very positive that the industry is heading towards a very special moment.

Our membership is healthier than ever, both in terms of new entrants and longstanding members that have grown. It is very gratifying to see companies that have been with us for a long time, who may have started off very small and even struggled at times, now having grown significantly in size! This demonstrates to me that BIOTECanada's efforts to support the early stage member companies is adding value and delivering results.

Looking at it holistically, I am proud that BIOTECanada has been very strong at supporting our member companies, which I would count as one of the greatest achievements. We receive great reviews from the companies, which is very encouraging. This has also been helped by the strong team that exists here – and the continuity in that team, because we have had the same people working together for almost four years, which is important in terms of cultivating trust and building relationships.

Looking ahead, it would be ideal if we can boost this sector into one of the top three in the world.

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