

Interview: Oliver Technow – President, BioVectra, Canada



“The innovative power and capacity in Canada, its tremendous manufacturing potential and the highly skilled workforce needs to be put into a position to successfully grow and keep the value chain intact across all stages of development.”

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Oliver Technow, president at BioVectra, highlights the company’s recent developments; amongst those a significant investment in a manufacturing site near Halifax. The resulting increase in manufacturing capacity by 40 percent will add to BioVectra’s position as the largest biotechnology company on Prince Edward Island, a historic location the CDMO is dedicated to.

Oliver, you are just celebrating two years at the head of the company. What have been some of the recent developments for BioVectra?

In many ways, BioVectra is a very unique organization. It was created in a garage on Prince Edward Island in Eastern Canada, and today constitutes one of the truly amazing Canadian success stories. As a global innovative player, and Prince Edward Island’s oldest and largest biotechnology company, BioVectra employs more than 300 people in Atlantic Canada and has kept a steady double-digit growth rate for years.

BioVectra’s journey has been an admirable one, but its most recent accomplishment is more intangible. Over the last two years, we have changed the culture of the organization, transitioning from a very operationally driven company towards a client-focused, commercially minded organization. We have implemented changes in how we approach our relationships with our clients and also introduced modern human resources principles.

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One key element in our journey has been an emphasis on performance principles that have had an effect on personal development and motivation amongst our employees. Additionally, we are committed to the principles of "Ownership Thinking" and have started the implementation of this compelling idea. In parallel, we have mapped out our organization's future in a very strategic way, all while maintaining the true entrepreneurial spirit and can-do attitude of our organization, which are probably our biggest strengths.

Developing our employees and giving them opportunities to advance their skills and careers is a priority at BioVectra. Another priority has been turning our perceived challenges into advantages. When you think of business locations in Canada, Prince Edward Island may not be your first thought as an obvious geographic synonym to success. During the last two years, I have made it my responsibility to introduce our organization, and its unique capabilities, to many stakeholders and decision makers across the country. In doing so, I made it a point to highlight all the compelling benefits of having our headquarters in Atlantic Canada. There is a tremendous loyalty to the company and to the Island itself, which leads to continuity and a fantastic intrinsic knowledge which is essential to our business. We are dedicated to get the word about BioVectra out there, turning us away from our previous inward focus. BioVectra is a great success story to share and we do so with pride.

What differentiates BioVectra from other CDMOs and allows it to stand ahead of the curve?

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Without question: our employees. Their development and ensuring they find an environment at BioVectra in which they shine and can contribute to our success has been a primary focus in recent years. Their ability to handle high-end and complex chemistry results in our employees taking great pride in their work, and they have a relentless problem-solving mentality that is impressive. We have a responsibility to foster our employees. In order to do this, we have to be dedicated to innovation and willing to constantly change and adapt. Innovation manifests in many ways, not only in our offerings and products, but also in the way we do business. We offer our clients an approach that allows them to stay ahead of the curve and to be innovative and competitive.

What exactly does innovation look like in the way you nurture partnerships with your clients?

It may sound like a cliché, but it is very true nonetheless: If you don't listen, you cannot provide the best answers. We have created a strong mindset around truly listening to our customers, something many CDMOs sometimes forget to do. They consider themselves as service providers only, a vendor. We have long moved away from that attitude. We are a contract manufacturer, yes, but we bring the most value through our skills, experience and knowledge. This is best leveraged when we are brought to the table as partners, not as "just a vendor." Translating this mindset into how we approach our business and partners has been a main area of focus of our leadership team. As a CDMO we depend on the success of our clients, and operate in a phase-based environment. Thus, our partners' success becomes our success, and we are dedicated to accompanying the whole process in an improvement-oriented, problem-solving manner.

You just invested CAD 30 million (USD 23 million) into a new microbial fermentation and complex chemistry site. How will this contribute to BioVectra's future growth?

As we continue to grow, we reach thresholds in our flexibility to take on more projects. We decided to evolve in order to have the scale, size and capacity to drive our growth and leadership in this area. The site near Halifax will increase our total manufacturing capacity by 40 percent and our ferment capacity by 30,000L. For a company of our size it is a substantial investment, and it will bring us closer to our already strong client base in the Northeastern corridor of the USA, a hub for the

pharmaceutical and research industry.

We are very excited to expand into the greater Halifax area as our second pillar for BioVectra. We see an equally tremendous potential there for our future, adding to our growth and being able to recruit more top talent in Atlantic Canada. We will be able to provide proper risk-mitigation through multiple sites for the same client. It will further enable us to strengthen our DNA in the market, as capacity is scarce in the industry, and highly sought after. Microbial fermentation is a key capability of BioVectra and we will continue to grow and expand in this area, not only scale but also breadth.

What do you believe are the factors that speak for Canada as a manufacturing and innovation hotspot?

Canada is a great place for pharmaceutical manufacturing and innovation. Firstly, it has an underrated yet over-delivering education system, with top-ranking schools in many areas, including Atlantic Canada. The talent base is tremendous and there is a university network that embraces the idea of innovation and science to its fullest extent. The overall cost structure in Canada is highly competitive. On a comparable level of quality, and taking into account tax, cost of labor, cost of doing business etc., Canada ranks #2 worldwide. We outscore and outpace by far in quality those countries that focus only on price. Atlantic Canada has a lot going for itself. With only four hours of time difference to the United Kingdom and the North American West Coast, we are accessible for long periods throughout the day for partners across those geographies and the entire North American continent.

We are often asked about our decision to remain in Prince Edward Island or Atlantic Canada for that matter. My answer usually is "Why not? What is better elsewhere?" In fact, we operate in a great ecosystem here in Eastern Canada. The provincial governments and the municipalities are well aligned in their focus to make biosciences and healthcare an area of focus in PEI and many places across Atlantic Canada. As an industry player headquartered in Canada, we have the opportunity to participate in the "Innovation Agenda" that the Canadian government has rolled out, and our voice is being heard. In general, I commend the efforts the federal government has made in launching its "Innovation Agenda," making good progress in executing on its early programs.

Two points illustrate the "Innovation Agenda" well: the first is the heavy emphasis to foster innovation and the overall ecosystem in Canada to make it happen. Immigration and attracting talent, export of innovation and a favourable environment for investing in innovation are highly important challenges to solve in order to remain relevant in today's fast-paced global economy. Which leads to the second point: the government has launched the idea of "Economic Strategy Tables" that are industry led with a mandate to develop winning agendas for 2025 in six important areas. One of those tables is dedicated to the success and innovative power of BioScience and Healthcare. It is a privilege and great opportunity to be part of this. We were, however, disappointed to learn that Life Sciences are not part of another important initiative, the newly launched "Super Cluster" concept.

Something that has been discussed as a concern is that Canada does not have a high profile pharmaceutical company, an anchor company of relevant size and market cap. I personally think that this is important, but only one part of what we need to address. Canada is excellent at research, development and science, at creating an environment that is conducive for business. It can become an incubator for global innovation in this space. However, we are missing out on harvesting the full value chain of science and innovation creation in Canada. Two examples of what currently goes wrong: a lot of investment and tax benefits are targeted at research and we create financial incentives for great ideas that turn into companies. However, once the small companies reach a

certain stage, they are usually bought by foreign investors. This means that the investment in creating such a successful base then helps other economies. Another value-destroying trend is that once larger scale API development or manufacturing is needed, where do the majority of companies look for help? India, China and other jurisdictions. Why is that? And why aren't we thinking about a more innovative and rewarding framework, with appropriate policies and incentives that will help to maintain the value chain within Canada as long as possible? Those areas create a lot of well-paid jobs and are the backbone of every economy.

The innovative power and capacity in Canada, its tremendous manufacturing potential and the highly skilled workforce needs to be put into a position to successfully grow and keep the value chain intact across all stages of development. If we put all those loose ends together into one powerful framework, I have no doubts that this will eventually lead to the desired anchor company.

What will be your upcoming key priorities?

We have a major task at hand; we need to not only finish the development of our new site in Nova Scotia but ensure that it will be operational and yield a positive return on investment quickly. We are expecting a lot from this investment. The new facility places us into a different geographic location, something that we need to prepare for.

Although the location on Prince Edward Island has proven very beneficial for us to drive our business in North America, eventually we need to get our foot into some of the Life Sciences hubs and expand in new markets. For now, our concentration has been on the North American market, but we want to explore the European market more, as well as Asia.

Furthermore, we will closely follow the growing trend towards biologics. Six out of ten registered and approved products today are based on some sort of biologics already. The market is thriving and we are focusing on seizing arising opportunities as a company already ranking amongst the top global companies in microbial fermentation. We will expand our service offering and remain on the look-out for additional capacity to be able to answer the multiplying calls by the industry that, as the degree of specialization in the pharmaceutical sector is growing, is looking for more and more technical expertise as outsource partners.

For us, those are very exciting times, the moment to go and harvest, being more present in exploring opportunities, and continuing to build on our heritage: API and drug development, formulation and complex chemistry.

You have worked with medical device companies, large pharmaceutical corporations and have now found your home in the CDMO space. What excites you most about this industry?

I feel that it is a pretty powerful purpose to operate in a space that can influence the health and well-being of humans. I have long come to the conclusion that while money is a nice thing to have and that it makes life easier, it sure does not make you happy or feel whole. What does make you happy and feel whole is the most powerful aspect in life's purpose. And I have found that purpose in the Life Sciences industry. It has purpose, impact and endless opportunities to make a difference. And that matters to me.

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