

<b>TO</b>	<b>CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON AUGUST 26, 2019</b>
<b>FROM</b>	<b>MARTIN HAYWARD CITY MANAGER</b>
<b>SUBJECT</b>	<b>LONDON MEDICAL NETWORK</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the City Manager, the following actions **BE TAKEN** in regard to the London Medical Network (LMN) grant:

- 1) the investments made to-date by the LMN **BE ACCEPTED**;
- 2) the LMN Governing Council **BE REQUESTED** to return the remaining grant of approximately \$7.3m, as soon as possible, to the City;
- 3) the City of London **WITHDRAW** from the LMN; and
- 4) the approximate \$7.3m **BE INVESTED** in developing permanent housing with supports for mental health and addictions, noting this will support all services dealing with the crisis of homelessness, mental health and addictions, ultimately alleviating the pressure on those services, including the social services, shelters, hospitals and policing.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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March 26, 2018 Strategic Priorities and Policy Committee London Medical Network Update

<b>BACKGROUND</b>
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The London Medical Network (LMN [formerly known as the London Medical Innovation and Commercialization Network - LMICN]) was an attempt to bring the entire medical sector together in London, to promote London as a centre for medical and health innovation and commercialization. The City of London involvement was as a result of City Council reaching out to the community for ideas that could be funded to create an economic stimulus for the City of London. The following summarizes the chronology of events:

Timing	Event
Dec 2012	“Path to Prosperity”, a report to the Investment and Economic Prosperity Committee (IEPC – a standing committee of Council identified medicine and healthcare as a key economic development opportunity.
Jul 2013	Representatives from Schulich, Robarts, Lawson and London’s two hospital foundations secured support, in principle, for an investment of \$10m in the development of a medical innovation and commercialization network (LMN), subject to the approval of a business plan and matching investment by Western University.
Mar 2014	LMN presented its business plan to Council and secured Council’s authorization of a \$10m investment, subject to the completion of a grant

Timing	Event
	<p>agreement between the City and London's two hospital foundations who were to serve as financial repositories until the formal LMN structure could be established. The City needed to transfer funds to the foundations, so that the LMN could qualify for FedDev funding.</p> <p>Western submitted a \$20m application (1st) to FedDev Ontario. This application was reviewed and deferred.</p>
Sep 2014	The grant agreement was finalized.
Oct 2014	The City contribution was forwarded to the two hospital foundations (\$5m each) to hold pending establishment of formal LMN corporate structure.
Feb 2015	<p>A Joint Venture agreement between Western University, London Health Sciences Corporation, St Joseph's Health Corporation and Lawson was finalized.</p> <p>This agreement established: contributions, commitments, obligations and rights.</p>
Jun 2015	LMN was formally incorporated. The Governing Council was established.
Jul 2015	LMN secured its auditors and insurance provider.
Oct 2015	<p>Business and Scientific Advisory Committee members were confirmed; members were to provide recommendations with respect to the evaluation of investment proposals.</p> <p>Incorporation, banking and insurance were all completed</p>
Dec 2015	<p>City Council approved the Grant Agreement between the City and LMN. Foundations were requested to forward the City contribution to the new LMN corporation.</p> <p>Western submitted a revised \$18m application (2nd) to FedDev Ontario. This application was again reviewed and deferred.</p>
Feb 2016	<p>Investment proposals were received for the:</p> <ul style="list-style-type: none"> <li>• ADEISS Centre [formerly AMASS] (3D printing),</li> <li>• Burst (encourage start-up investment [\$30,000 per application]),</li> <li>• MSK Medical Innovation Centre</li> </ul> <p>Update on the revised application (3rd) submitted by Western to FedDev Ontario for the MSK Medical Innovation Centre. This application was again deferred.</p>
Mar 2016	<p>The LMN Governing Council considered the advice of the business and scientific advisory committees, reviewed the proposals and approved the first three funding applications:</p> <ul style="list-style-type: none"> <li>• ADEISS Centre (3D printing),</li> <li>• Burst (encourage start-up investment [\$30,000 per application]),</li> <li>• MSK Medical Innovation Centre</li> </ul> <p>TechAlliance submitted the Burst application to FedDev Ontario.</p>
Sep 2016	<p>LMN released \$1.5m to ADEISS project to construct a lab and purchase equipment.</p> <p>The City of London asked the LMN to join the Community Economic Roadmap and serve as the lead for "The Creation of a Medical Centre of Excellence". The LMN Governing Council consented, subject to the receipt of resources. This was agreed to; however, resources were not provided.</p>

Timing	Event
Mar 2017	FedDev Ontario approved \$900,000 in Burst funding.
Apr 2017	LMN released the first of three, \$300,000 tranches (\$900,000 total) to TechAlliance to support Burst cohorts.
May 2017	ADEISS Centre was opened. TechAlliance selected the first ten start-ups for Burst (30 total over a 9-month period) to meet FedDev timelines.
Aug 2017	LMN provided an update to the LEDC Board.
Sep 2017	The LMN CEO provided notice of resignation as a result of involvement in the upcoming municipal election.
Mar 2018	An update presentation was made to SPPC by the LMN (Dr. Michael Strong and Dr. David Hill). All questions were answered and the presentation was received, with no further direction.
Jun 2018	The Governing Council discussed and approved a new \$3m investment proposal from Dr. Narinder Paul and Robarts Research Institute for a new Medical Imaging Centre (no City representatives were present because the timing conflicted with a Council meeting). Note: this investment saw the \$10m committed to the MSK Centre, reallocated to this project.
Sep 2018	LMN released \$3m to Robarts Imaging Centre. LMN contracted Ivey Health Centre to provide executive and administrative support.
Mar 2019	Based on the success of the first round of investments, TechAlliance secured an additional \$300,000 from FedDev Ontario to support additional medical start-ups. The LMN Governing Council discussed and approved the matching investment of \$300,000 in Burst funding.  Western University publicly announced their withdrawal from LMN, because of some negativity in the community and the impact that was having on investment potential and other partners. Western University also returned the \$3m that LMN had committed to the Robarts Imaging Centre.  The City representatives immediately called for a meeting to discuss next steps, given the important role Western University played in the LMN partnership.
May 2019	The LMN Governing Council held a meeting in response to the request of the City representatives.  Co-chair, Frank Angeletti resigned from the LMN.

## DISCUSSION

Two alternatives exist for Council:

- Request the LMN return the unspent balance of the grant monies (approximately \$7.3 million) immediately; or
- Give the remaining members of the LMN an opportunity to deliver on the mandate, or a revision thereof, noting that any unspent grant monies will be returned on December 8, 2020 as a result of the completion of five years following the initiation of the grant agreement.

The medical sector is one of the largest employers in the City of London. The original intent was brought forward by leaders in the medical community and was intended to

galvanize the medical community to:

- Support the commercialization of research and development;
- Attract/retain top medical talent in the region;
- Build upon London’s reputation as a national healthcare leader; and,
- Help stimulate job growth in London.

While a number of investment proposals were brought forward for consideration, four were considered worthy of support, but only three ultimately received funding. The investments could be split into short, medium and long-term, summarized as follows:

**1. Burst - \$1.2m (matched by FedDev) - Short-term**

The intent was to incubate/assist as many start-ups and scale-ups as possible in the short term to create the potential for those start-ups/scale-ups to take root and establish themselves in London. A \$30,000 start-up grant from the LMN (matched by FedDev) was provided to successful applicants in the medical and health sector. In order to ensure success, TechAlliance administered the program and made available services to the selected applicants:

- Provision of the screening and selection of applications.
- Provision of a full roster of training, mentoring and business support services to successful entrants.
- Co-working space and equipment.
- Reporting on the programs’ progress.

The Burst micro-funding program has been in existence since 2017 and has supported 30 companies since early 2017 and a further 10 companies since early 2019. (See attached progress report – Appendix A)

Metrics	Cohort 1-3	Cohort 4	Total
	Q1 2017 To Q4 2018	Q1 2019 To Q2 2019	
Number of companies	30	9	39
Investment received	\$5,198,916	\$4,813,111	\$10,012,027
Number of products, services, processes commercialized	9		10
Number of full-time equivalent (FTE) positions created	67	29	96
Total sales of commercialized products	\$363,617		\$363,647

**2. ADEISS (3D printing) - \$1.5m - Medium-term**

Development of an on-going partnership hub around additive manufacturing that could attract new innovation brought through research and testing to commercialization. This was a collaboration between the private sector and Western University to develop additive manufacturing for surgical solutions:

- Facilitate the design, development and testing of fully-functional orthopedic implants, dental implants and surgical instruments.
- Enable proprietary product and partnership opportunities with the private sector.
- Provide contract services to entrepreneurs and commercial interests seeking to develop similar business and products for the health sector.

The company has been in existence since early 2017 and has just completed the

start-up phase (see attached progress report – Appendix B).

<b>Metrics</b>	<b>As of June 30, 2019</b>
ISO Certification achieved (necessary to provide products for medical use)	ISO 13485 in 2018
Number of jobs created to-date	6.5 FTE's
Investment leveraged to-date	\$1.8m

**3. MSK Medical Innovation Centre – \$0 (Requested \$5.5m from LMN; \$14.5m requested from FedDev; \$10m from Western University) - Long-term**

The development of a Centre in the Western Research Park that would provide a hub for MSK Medical innovation and commercialization. The centre was designed to accommodate under one roof all the key components necessary for research, development, testing, validation and commercialization.

The Centre would be comprised of the following:

- a. Industry partners and incubation (32,500 sq ft).
- b. MSK-related research (10,000 sq ft).
- c. Fowler-Kennedy Sport Medicine Clinic (global reputation to act as attraction for research talent and commercial interests) (22,500 sq ft).

The centre was not approved for a grant by FedDev and as a result the proposal did not move forward. Western reallocated their proposed investment of \$10m to other collaborative research opportunities, including the commissioning of the newly constructed Western Interdisciplinary Research Building.

**4. Robarts Imaging Centre - \$0 (\$3.0m; later returned by Western) - Long-term**

Creation of Canada's first innovation and collaboration hub for advanced X-ray imaging and intervention suite complementing the development of world class comprehensive imaging in London. The objectives are:

- a. Complete development of a comprehensive world class imaging suite.
- b. Create a powerful research and development partnerships with various private sector companies such as: Canon Medical Systems Canada Limited; Carestream Health Inc.; Shelley Medical Imaging Technologies; as well as ADEISS.
- c. Create a dynamic research and product development environment with integration of researchers, industry and learners.

This project continues under the auspices of Western University and is yielding the benefits in terms of jobs and partnership investment that was originally intended. Western, however, returned the \$3m LMN investment after they withdrew from the LMN. This was in part due to negativity in the community with respect to LMN that was affecting other partners and investors willingness to partner in London.

**LMN Inhibiting Issues:**

For all of the potential benefits of the LMN, a number of issues hampered the success and image of the LMN:

- Owing to legal technicalities, delays were experienced in establishing the corporation, which significantly delayed the start of the ability to invest.
- Of the various parties involved in the partnership, financial participation was essentially limited to the City of London grant and the financial and in-kind contributions by Western University. This left a void in having full-time experts work on securing new investments and running the corporation.

- While significant in-kind support was provided by Western University, the matching \$10m cash grant was not provided to the LMN, since the major project identified for this grant was not approved by FedDev, namely the Medical Innovation Centre. However, Western University has contributed to the recruitment/retention of four top medical researchers (Chairs) with an aggregate investment to-date of over \$15 million per its agreement with the City.
- The Governing Council had no representatives that had experience in investment in medical start-ups or scale-ups. While there were business/scientific Advisory Committees and staff providing input, the experience on the Governing Council was primarily institutional (hospitals, university) or research (university, research organizations).
- No full-time staff were assigned to the LMN Corporation. All Governing Council, Advisory Board and staff were on a volunteer basis. Thus, meetings of the Governing Council were difficult to establish and became infrequent, as a result of each members' busy schedules.
- The role and purpose of City representatives on the LMN Board was never outlined by Council; reporting to Council was through the LMN Board, not through the City representatives.
- In late 2018, one of the individuals who had the original vision and passion for the LMN, Dr. Michael Strong, Dean of the Schulich School of Medicine, left to assume the position of President of the Canadian Institute for Health Research (CIHR) in Ottawa.
- While the investments above had significant potential, their full potential has been damaged by negativity and misinformation in the community.
- The withdrawal of Western University saw two major members of the Governing Council leave the LMN, namely Western University and the Schulich School of Medicine.
- The grant funding that remains approximately of \$7.3m has not been earmarked for any other investment proposals and no other investment proposals have been submitted for consideration.
- The City Grant was always intended to leverage capital investment, no partners allocated funding or support to provide a pro-active business development/ outreach function at LMN.
- Commercialization investments should be considered over the long term to determine success. The investments made by the LMN are only two to three years old.

#### **Other Factors:**

A number of other factors should also be considered:

- 1) The uncommitted investment is \$7.3m (one-time money).
- 2) The LMN has no specific investment opportunities at this time.
- 3) No specific new direction has been given to-date by the LMN Governing Council, noting the LMN Governing Council presentation to SPPC will be at the same time this report is considered (August 26, 2019).
- 4) Council faces a number of serious budget issues and pressures, one of which is housing. Development of housing with supports for mental health and addictions is a significant issue in the community. Redirecting funds originally allocated to the LMN would help support the provision of permanent housing with supports that would:
  - i) Provide a place for those dealing with homelessness and sleeping rough;
  - ii) Assist those requiring community supports to retain permanent housing;
  - iii) Provide a place for hospitals and shelters to release those who have been stabilized to permanent and safe housing; and
  - iv) Provide capacity for hospitals to accept new patients and shelters to receive new clients.

<b>CONCLUSION</b>
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While the original concepts and investments had great potential, many of the “LMN Inhibiting Issues” remain and the “Other Factors” listed above persist.

At the time of writing this report, the City Manager was advised that as a result of recent discussions on future direction, the remaining members of the LMN Governing Council are in favour of returning the unspent grant monies to the City, as recommended by the City Manager in this report. The City Manager was also advised that the LMN Governing Council may be providing an update at the August 26<sup>th</sup>, 2019 meeting of the SPPC.

<b>RECOMMENDED BY:</b>
<b>MARTIN HAYWARD, CPA, CGA</b>
<b>CITY MANAGER</b>

Attach

# APPENDIX A



## TECHALLIANCE BURST PROGRAM

### BACKGROUND

In 2017, in an effort to increase the quantity and investment quality of London's early-stage technology companies, TechAlliance, London's hi-tech accelerator, successfully launched "BURST", a micro-funding program for innovative hi-tech medical and health technology companies in the healthcare and life sciences industries looking to advance their solution along the market and/or product development continuum.

The BURST program was co-funded by – London Medical Network (LMN) and FedDev Ontario – that split a \$60,000 investment in each company. FedDev Ontario also provided an additional \$10,000 per company for programs and training.

During the period March 2017 – December 2018, BURST provided 30 companies with \$60,000 each in acceleration funds, physical office space and business development services that focused on four critical business growth pillars: market validation, corporate structure, Intellectual Property protection and investor readiness.

The goal of the BURST program is to build high potential, innovative companies with a solid business foundation and by extension, drive organic economic growth and higher market capitalization in Southwestern Ontario.

### COHORTS 1-3: COMPLETE

As of December 2018, all 30 companies that participated in Cohorts 1-3 of the BURST program were still in operation.

The seed financing that was invested by the LMN and FedDev Ontario has benefited the participating BURST companies in a number of ways.

**Research and Development** - creating an initial minimal viable product (MVP) and/or prototype, new and improved processes and products, and working to bring them to market through commercialization activities.

**Sustaining & Creating Jobs** - hiring of new employees, maintaining existing positions and securing contractors and service providers (i.e. legal/accounting/digital media/developers/marketing/etc.).

*Supports Health Inc. - "Through the course of this project, we employed a blend of PT contractors, interns and full-time employees, hiring a total of 4 FTE contractors (UX, Mental Health Researcher, Software Developer, Social Worker), 4 full-time employed interns (Mental Health Analyst x 2, Marketing & Product Associate x 2) and 3 fulltime employees (CEO, Software Developer, UX Designer) "*

**Capital Improvements** - purchasing new, innovative equipment that delivers new capabilities and significantly increases output.

*Ahead Simulations Inc. - " BURST allowed us to incorporate the company, hire two engineers to aid in the creation of a production model of the simulator, purchase the equipment to allow for sustainable production ..."*

**Leverage Funding** - secure additional funding through investments, grants, loans, accelerator programs, etc.

*Fans In Training Inc (FIT) - "Dr. Petrella has leveraged the BURST funds to receive a significant (\$900,000) CIHR grant to continue to clinically validate the FIT platform and has hired personnel to manage the administration of FIT based here in London "*

**Fostering Collaborations and Partnerships** - facilitate connections and expansion of networks through programming, professional development opportunities and academic and healthcare facility contacts.

*Triage Technologies Inc. - " The team is incredibly excited at some of the partnerships and relation ships (especially with prospective customers) that it has established over the last several months, including partnership/collaboration contracts and NDAs/LOIs with major organizations such as LEO Pharma (leading skin specialized pharmaceutical company); Kimberly-Clark (Fortune 500 multinational company with mostly skin-facing/interacting products such as Cottonelle, Buggies, and Kleenex); Right Health | Akira (telehealth customer for referrals from Triage app/product); Johnson & Johnson; Great West Life, and others".*

*TopSpin Technologies Ltd. - " We were also able to expand the number of major meetings that we attended and the attendance at the first meeting (CsCCA), lead to the first sale of our product to an NFL team, the Philadelphia Eagles".*

BURST companies in Cohorts 1-3 have contributed to the entrepreneurial and innovation network/ecosystem in the local London region and across southern Ontario.

Capacity has been increased thanks to the establishment of new medical and health technology companies, the creation of new jobs, and the development of new innovations.

BURST has affected the public sector, private sector and academic institutions across southern Ontario.

The BURST companies have tapped the various levels of the public sector by seeking and obtaining additional funding, accessing programming and resources from regional business supports such as TechAlliance.

The BURST companies have engaged with private sector firms and obtained professional support services. Services relating to intellectual property, accounting, marketing, and business management. Company founders have navigated the ecosystem and been connected with funding organizations such as OCE, NRC, OBio, Mitacs, and Angel Groups such as SWOAG/GTAN/Angel-1, Keiretsu, and venture capital firms like BloomBurton.

Thanks to BURST many of the participating companies have collaborated and/or partnered with academic and health institutions across southern Ontario. BURST has facilitated the transfer and integration of research into the development of innovations (products/services) that can accelerate medical and health technologies getting to market faster.

For example, Western University has a program to create new medical technologies called the Medical Innovation Fellowship program. The BURST program has allowed three of the new technologies from that program to progress, develop the new IP required, and to obtain outside Angel investment.

The direct financing of the BURST program has contributed directly to the overall mission and vision of TechAlliance.

**Mission** - To grow the innovative businesses of today, and launch the startups of tomorrow.

**Vision** - We envision a region where tech-driven businesses accelerate economic growth and job creation, and where the spirit of entrepreneurship thrives.

The BURST program has accelerated the commercialization and investment potential of 30 medical and health technology companies. Having completed the BURST program, the companies leave with clear IP strategies, validated markets and solidified corporate structure, poising them for continued growth of their revenue and team.

## **METRICS**

Figures reported represent metrics from **Cohorts 1-3** (as at Dec.2018):

	At Project Completion (Dec.2018)
<b>Investment received</b>	\$5,198,916
<b>Number of products, services, processes commercialized</b>	9
<b>Number of Full-Time Equivalent Positions (FTEs) created</b>	67
<b>Total Sales of commercialized products</b>	\$363,617

#### COHORT 4: APRIL – JUNE 2019

In March 2019, TechAlliance was pleased to launch a fourth cohort of the BURST program, with the continued support of the two co-funding partners – London Medical Network (LMN) and FedDev Ontario – that split the \$60,000 investment in each company. FedDev Ontario is also providing an additional \$10,000 per company for programs and training.

TechAlliance received 22 applications for the fourth cohort, and has approved 10 companies to participate. Nine companies are located in London with the tenth company located in Kitchener. Funding from the LMN has been distributed to support only the local nine companies located in London.

Please find information on each of the approved 10 companies below.

**123Genetix** is a social enterprise for-profit company that develops validated computer simulations of human stem cells for modelling rare diseases and biomarker identification.

**DQE Instruments** designs, manufactures, and markets a new scientific instrument useful to manufacturers of medical x-ray imaging systems.

**Gravity Medical** develops innovative preventative solutions to treat musculoskeletal injuries and maximize the amount of time surgeons spend in the operating room.

**IdealFit** has developed customizable antibiotic cement spacer molds to decrease infection risk in joint replacement surgery patients.

**Mikutech** is a software development company specializing in games and gamified educational solutions that help train the next generation of medical students in comprehensive, technically advanced medical skills.

**Motif** is a cannabis and hemp extraction, refining, and technology company, focusing on monetizing material that cannabis and hemp cultivators consider “waste” such as trimmings, fan leaves, and lower grade bud and shake.

**NERv Technology** was co-founded by two University of Waterloo Engineering graduates who were determined to see that no patient loses their life because of an undetected post-operative complication. Their team of engineers and surgeons is committed to achieving that goal by developing sensors and predictive models to detect complications at their onset. Their products will alleviate the fear that can arise after a surgical procedure by accurately monitoring patients. NERv is developing an intracutaneous sensor for the detection of gastrointestinal leaks after surgical procedures. NERv is located in Kitchener, ON.

**ONPoint Medical** was founded by recent alumni of the Western Medical Innovation Fellowship. ONPoint is a medical device company that improves dynamic balance assessments to help practitioners track the dynamic balance of patients who are recovering from balancing performance, specifically on lower-limb injuries.

**PolyAnalytik** develops and manufactures prepacked chromatography columns for bioprocessing applications.

**Tune-Out Medical** is the second BURST company to be founded by alumni of the Western Medical Innovation Fellowship. Tune-Out aims to help ophthalmologists and patients undergoing eye surgery by providing a way to mask, or ‘tune-out’, ocular sensation in order to prevent disruptive reflexive movements that can lead to surgical complications and cancellations.

**METRICS**

Figures reported in **Q1** represent metrics from **Cohort 4** (Apr.-Jun.2019):

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Investment received</b>	\$4,813,111.00			
<b>Number of products, services, processes commercialized</b>	1			
<b>Number of Full-Time Equivalent Positions (FTEs) created</b>	29			
<b>Total Sales of commercialized products</b>	\$30.00			

**SUMMARY**

BURST companies from Cohorts 1-4 have reported a total of more than \$10M in investments, 96 jobs created, 10 products/processes commercialized and more than \$363K in sales.

# APPENDIX B



## ADEISS CENTRE PROGRESS REPORT

July 2019

In response to a material barrier to innovation in the medical device market, Western University, in partnership with Renishaw PLC and the London Medical Network established the Additive Design In Surgical Solutions (ADEISS) Centre; a specialized research, development and commercialization (RD&C) company whose dual focus is to:

- help clinicians translate novel prototypes and components into market-ready medical devices for ultimate use in the global health care market, and,
- identify, manufacture and market in-license products for sale in Canada.

The impetus for this initiative is to tap the estimated \$36 Billion global orthopedic medical device market<sup>1</sup> that is expected to grow to \$47 billion by 2026 due to the aging baby boomer demographic. And while additive manufacturing (commonly referred to as AM or 3D printing) is still early in its adoption curve, the platform is already proving to be a highly welcome and disruptive technology in orthopedics. In 2017, the medical device global market was \$840 Million for all materials and printing technologies alone. And the AM technology is poised to aggressively take market share away from the larger orthopedic medical device market and is expected to grow to \$2 billion by 2022, at a CAGR of 17.5%.

Since its inception, the ADEISS team have focused on three primary objectives.

1. Develop a world-class Additive Manufacturing RD&C Centre for health care solutions that generates return, product throughput and employment, and enhances the region's medical reputation.
2. Facilitate and support cross-discipline and public-private product design, team-building and application development as measured by research contracts, new spin-off creation and faculty/student engagement.
3. Create a powerful research and product development partnership stream with Renishaw or a medical device company that complements the partner's medical solutions business aspirations throughout North America.

To this end, the ADEISS team has been diligently delivering on the list of initial strategies and tactics outlined in the startup phase of its business plan. Collectively, the partners have invested \$3.3 million<sup>23</sup> of cash and in-kind resources into the entity to-date. The notable accomplishments to-date include:

- *Establishing the initial corporate and organization structure.*
- *Securing necessary capital/operating funds to support the company's 5-yr Startup Plan.*
- *Formalizing all necessary employment policies, procedures, and processes.*
- *Formalizing the partnership between Western and Renishaw.*
- *Commissioning a state-of-the-art development site near Western's medical research teams.*
- *Supporting London startups, students and entrepreneurs with a world-class environment in which to develop and test their own new products for use in the health care sector (e.g. A-Line Orthopedics).*
- *Securing and orienting the initial 8-member startup team (6.5 FTEs).*
- *Developing a portal and associated marketing collaterals.*
- *Building company and brand awareness through innovative marketing/promotional approaches.*
- *Securing a highly positive boost in public profile around the world for the role ADEISS played in a revolutionary veterinary procedure that effectively rescued a pet (Patches) from certain demise<sup>3</sup>.*
- *Securing a Class I Medical Device Establishment License.*
- *Successfully completing its ISO 13485 certification process.*

<sup>1</sup> Surgical equipment, prosthetics, implants, and scaffolds

<sup>2</sup> Investment To-date: LMN - \$1.5MM Capital. Western - \$0.6MM Operating Funds, \$0.6MM In-Kind Contribution, Renishaw - \$0.6MM In-Kind Contribution.

<sup>3</sup> articles/stories incl: Time Magazine, CNN, The New York Times, CBC, ABC, CBS, BBC & 8 int'l outlets.



The company has now completed the Startup Phase of its market entry, and is now looking to shift its focus and resources towards the Growth Phase of its business plan. The strategies include:

1. Targeting niche markets where ADEISS can quickly exploit its competitive advantage.
2. Securing Class II and III Licenses for target products.
3. Building Channel relationships to expand market reach and sales prospects.
4. Continuing to pursue research and commercialization grants and partnerships that augment the Centre's technical offerings and operating capacity.
5. Marketing ADEISS as the first health care solutions-based RD&C facility of its kind in Canada using 3D printing.
6. Exploring opportunities to collaborate with like-minded corporations seeking entry into the space.

The anticipated financial performance associated with the growth phase of the company is quite promising. However, ADEISS is looking to scale much more quickly and augment the team's current capability with partners that bring additional products, capital, expertise and/or global reach. To this end, ADEISS is in negotiations with a US-based medical device manufacturer to establish a formal partnership to help accelerate our product entry and market access efforts, most notably south of the border. ADEISS hopes to secure this partnership by year-end, with an eye towards expansion of its London facility.