



BioCreate

Program Guide



BioCreate Program Guide

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Additional details related to the BioCreate program and the application process can be found at the [program page](#).

1. The Opportunity:

The [McKinsey Global Institute report](#) forecasts that the current Biorevolution will create US \$2-4T in value by 2030 across human health, food security and cleantech. This has been decades in the making and is happening now because of a step change in “our ability to understand and engineer biology”, based on the technologies of **genomics** (understanding biology by studying the genetic code) and **synthetic/engineering biology or bioengineering** (the ability to engineer cells and biological systems to make products). The reduction in cost and increasing accessibility of these technologies is moving research out of the lab and into the market via a new wave of innovative start-up companies producing drugs, food and materials. Examples include COVID-19 therapeutics and vaccines (AbCellera, Moderna, BioNTech); disease diagnostics (Mammoth Biosciences); agricultural products, food and alternative proteins (Pivot Bio, US-based UPSIDE Foods, Perfect Day); and low carbon materials (Lanzatech, Bolt Threads); as well as companies providing enabling technology (Ginkgo Bioworks, Illumina). In 2021, global venture capital investment in engineering biology companies soared to nearly US \$18B, the largest annual amount of investment in engineering biology companies to date. Investment in this industry is expected to continue to grow, with the ["Synthetic Biology Market - Global Outlook and Forecast 2022-2027"](#) report predicting a CAGR of 25% over the next five years. With world-leading genomics and engineering biology expertise, innovative companies, and extensive biomass inputs, Ontario has the ingredients for success in this area, but requires focused investment to leverage our strengths and capitalize on this opportunity.

There is fierce global competition for biotechnology companies with international accelerators providing specialized and attractive early-stage investment. Global leaders in the space include IndieBio in San Francisco and New York, Petri in Boston, Y-Combinator in Silicon Valley, Big Idea Ventures in New York, Planet B.io in the Netherlands, and The Kitchen FoodTech Hub in Israel. They understand the technology, market value and sector specific requirements for success such as access to laboratory space for product development, multistep investments to de-risk over longer development timelines, and navigation of complex regulatory processes, making them very attractive to Canadian companies. Through our flagship BioCreate program, we are ensuring that companies can get access to the resources that they need in southern Ontario. In addition, through a partnership with IndieBio, we are enabling southern Ontario companies to access international resources.

A key weakness, and an opportunity, in the Ontario ecosystem is a lack of funding and support for the translation of engineering biology applied research into start-up companies that can grow and flourish with funding from private investment. These early-stage biotechnology companies require capital, infrastructure such as laboratory space to develop their technology and products, and access to partners and mentors. Through the **BioCreate program**, Ontario Genomics will coalesce and lead a strategic cluster and network that leverages the collective expertise and resources available from multiple organizations across southern Ontario, including in Hamilton, Waterloo, Toronto and Peterborough. By coordinating and operating as a collective we are creating an opportunity to outpace international initiatives, provide the resources these companies need to flourish, and grow Canadian companies in Ontario, while creating jobs in a variety of sectors.

2. BioCreate Program Objectives

The BioCreate program is supported by the Government of Canada through the Federal Economic Development Agency for southern Ontario (FedDev Ontario) and by Ontario Genomics, the current budget is greater than \$7 Million over five years. Ontario Genomics will deliver the BioCreate program to small- and medium-sized enterprises (SMEs)¹ in southern Ontario seeking to commercialize genomics² and/or engineering biology³ enabled products and/or technologies in the health, food and agriculture, and cleantech sectors at a Technology Readiness Level (TRL) of 4+ (See *Appendix A* for more details on TRL definitions). BioCreate will provide funding, access to mentorship and business support to enable companies to raise additional investment to achieve commercial outcomes.

BioCreate will support up to 32 high-potential genomics and engineering biology SMEs to advance towards the commercialization of new products and technologies. The program will run over five years with seven total cohorts (rolling intake with funding decisions twice per year). The multi-phase program will include direct, non-repayable funding of \$150,000 (\$100,000 from FedDev Ontario and \$50,000 from Ontario Genomics) that will be matched by an additional \$100,000 (minimum) from participating companies to a total project size of \$250,000 or more. It will also include 18-months of intensive business mentorship and access to critical infrastructure provided by Ontario Genomics strategic sectoral and regional partnerships across Ontario including [Velocity](#) (Waterloo), [Synapse Life Sciences Consortium](#) (Hamilton), [Toronto Metropolitan University SDZ](#) (Toronto) and [Cleantech Commons](#) (Peterborough). Business mentorship support will be tailored to each company's needs and will consist of technology development, business model strategy, Intellectual Property (IP) and regulatory support, access to infrastructure such as lab space, and support in developing a final funding pitch to secure their next fundraising round from venture capitalists and/or other strategic investment partners. BioCreate's objective is to advance participating SME's Technology Readiness Level (TRL) towards commercialization and build a critical mass around an innovative genomics and engineering biology cluster in southern Ontario. At the end of each 18-month program cycle, each SME will pitch to a curated list of venture capitalists (VCs) and/or other strategic partners for the opportunity to secure follow-through financing to enable further growth, job creation and technology commercialization.

As a signatory to the 50-30 Challenge, Inclusivity, Diversity, Equity and Accessibility (IDEA) are core components of Ontario Genomics' ethos, including within this program. Furthermore, Ontario's population is highly diverse, and effective and authentic diversity and inclusion strategies are essential for southern Ontario organizations to thrive and achieve their goals. We encourage applications from diverse teams and all equity-deserving groups.

¹ A SME is defined as a business with 499 or fewer employees and less than \$50 million in gross revenues.

² Genomics is the science of understanding, interpreting and harnessing the DNA code to create real-world solutions and includes other high throughput methods such as proteomics, metabolomics, and other 'omics tools and technologies.

³ Engineering (or synthetic) biology is a convergence of genomics and molecular biosciences with computing, automation, miniaturization, artificial intelligence (AI), and the application of engineering principles to biological systems. In essence, it uses living things "to make useful stuff." Engineering biology tools and technologies have broad applications benefiting nearly all sectors of the economy, including health (e.g., vaccines, diagnostics, engineered antibodies, and cell therapies), agriculture/food (e.g., crop production, livestock, fermentation, and cellular agriculture), and chemical manufacturing, energy production, materials (e.g., textiles and bioplastics).

3. BioCreate Program at a Glance

SMEs located within southern Ontario working on genomics and/or engineering biology enabled products and/or technologies in the health, food and agriculture, and cleantech sectors at a TRL of 4+ are invited to apply to the BioCreate program.

The BioCreate Program consists of three phases:

- Phase I: BioCreate Investment** – The BioCreate expert panel will evaluate market potential and technical feasibility of eligible applications, based on the evaluation criteria defined below. Successful applicants will receive up to \$150,000 in non-repayable funding and must contribute \$100,000 minimum to leverage the funding for their 18-month project. The application process consists of three stages:
 - Expression of interest
 - Invitation to submit application/submission of written application
 - Pitch to BioCreate Expert Panel
- Phase II: BioCreate Intensive Business Mentorship** – During the course of the funded project, the BioCreate program will support technology and business development to successful applicants through business mentors, patent expertise, regulatory support, and other support as defined by the needs of the company. Access to infrastructure can be facilitated through our program partners depending on company needs and location (see BioCreate program guide partners section). SMEs will also work with one or more BioCreate partners and Ontario Genomics BioCreate team to develop a pitch deck to present at the investor showcase in Phase III.
- Phase III: BioCreate Investor Showcase** – After the successful completion of the 18-month program, teams will participate in an investor showcase where they will pitch to an audience of regional enablers and investors in efforts to receive follow-on investment.

Example Application Areas

SMEs working on genomics and/or engineering biology related technologies in health, food and agriculture, cleantech, and enabling and platform technologies are eligible for the program. Example technologies could include, but are not limited to the examples listed below:

Health	Food and Agriculture	Cleantech	Enabling and Platform Technologies
Cell and gene therapies Biologics and nucleic acid therapeutics Molecular diagnostics	Precision fermentation of food ingredients and proteins Cultivated meat and food products Gene edited crops and livestock Microbial products	Sustainable textile dyes and fibres Bioplastics (including compostable bioplastics)	Instrumentation Technologies to support other applications (e.g., production of proteins, bioreactor design etc.)

4. Ontario Genomics and Partner Organization Background

Ontario Genomics

Ontario Genomics is a not-for-profit organization funded by the Ontario government and Genome Canada. Established in 2000, Ontario Genomics leads the application of genomics and engineering biology-based solutions across key sectors of the economy to drive economic growth, improved quality of life and global leadership for Ontario. Ontario Genomics' vision is to enable healthy people, a healthy economy and a healthy planet through genomics innovations. Ontario Genomics works with researchers, small and large companies, not-for-profits and governments to create public-private and public-public partnerships where every partner can leverage expertise and funding.

Ontario Genomics advances engineering biology and genomics applied research and innovation to drive industry competitiveness, by providing access to early stage investment, fostering connections between businesses, funders, investors and others, and advocating for policies that enable commercialization and implementation of genomics-based technologies. This enables a higher return on investments in genomics technology research, development and commercialization, filling a critical gap in Ontario's life sciences ecosystem. Ontario Genomics is ideally positioned to serve as the glue of this cluster with over 20 years of experience and our proven track record of creating and supporting winning companies in this space. As of 2021, Ontario Genomics has directly invested in over 30 start-up companies who have collectively raised \$163.5M, generated over \$1B in equity value and created over 2,500 jobs. Ontario Genomics' network includes 126 company partners that have participated in Ontario Genomics funded projects and a entrepreneurs' network of 68 start-up and spinout companies from Ontario Genomics' portfolio.

Partner Organizations

Our partners are critical for delivering the BioCreate program by providing business mentorship, access to infrastructure for technology development as well as enhanced networks and connectivity across Ontario, Canada and globally.

- **Velocity** – Velocity is a Waterloo-based incubator with 10,000+ sq ft of shared product development labs and >\$3.5M of scientific equipment available, including full biological workflows and CL-2 facilities essential to genomics-based product development. Velocity also operates two investment funds.
- **Toronto Metropolitan University/Science Discovery Zone** – The Science Discovery Zone (SDZ) in Toronto helps people take evidence-based approaches to test big ideas and discover new ventures, and provides access to lab space.
- **Synapse Consortium** – Synapse Life Science Consortium provides connectivity into the life sciences ecosystem in the Hamilton area including at McMaster Innovation Park, which recently expanded to 2.5M sq ft of innovation lab space.
- **Cleantech Commons** – Cleantech Commons is a Canadian hub for collaborative clean, green, low- and zero-carbon, and sustainable technology research. They provide access to lab space and resources in the Peterborough region.
- **IndieBio** – IndieBio is a world-renowned accelerator program with locations in San Francisco and New York City. Through their program they offer an investment of \$500k USD and technology and business mentorship. IndieBio has partnered with OG's BioCreate program to streamline the intake process for IndieBio's program for interested BioCreate companies.

A key objective of the BioCreate program is to help SMEs access the resources they need for growth. Ontario Genomics continues to look for additional partners interested in involvement in the BioCreate program. Potential

partners are encouraged to contact the BioCreate team at biocreate@ontariogenomics.ca to discuss collaboration opportunities. See the [BioCreate program webpage](#) for more information on the founding and new partners.

5. BioCreate Program Description

BioCreate is a three-phase program that provides support to southern Ontario SMEs in the health, food and agriculture, and cleantech sectors, from application stage through to an investor showcase. This section includes information describing the application process, and the expectations of funded SMEs during Phase I to III of the 18-month BioCreate program.

Phase I: BioCreate Investment

SMEs will develop a project proposal that will allow them to advance their technology from TRL 4+ to TRL 7+, the outcomes of which should enable the applicant to create an inflection in value that allows the company to secure follow-on investment and/or further strategic partnerships after successful completion. The proposal should consider customer and partner feedback on what the SME must demonstrate to de-risk their technology. Given the breadth of sectors and markets in the BioCreate program, the type of project can vary, but SMEs should aim towards testing of a prototype of their technology in a real-world environment (TRL 7) by the end of their project. Examples could include (but are not limited to) pilot production of food ingredients or materials for testing, process development and optimization of biomanufacturing processes, manufacturing of a prototype device (e.g., molecular diagnostic, instrument), and non-clinical and pre-clinical work to lead towards an Investigational New Drug (IND) application for therapeutics. Companies must be at TRL 4 at a minimum to be eligible to apply, i.e., the company needs to have a prototype tested in a laboratory setting at minimum. Background data should be provided in the application to support this. Examples of a TRL 4 starting point could include: a drug lead or probe molecule identified, ability to detect a biomarker associated with a particular disease, small scale production of food ingredients or materials, or prototype instrument (e.g., reagent production, molecular characterization, etc.). When in doubt, discuss with a BioCreate team member to determine eligibility. See *Appendix A* for more details on TRL definitions. Companies are expected to protect their technology via patents or other methods and keep the IP within Canada during the duration of the project. See *Appendix C* for more details.

Phase I of the BioCreate program will consist of a three-stage gated application process:

- **Stage 1: Expression of Interest**
 - Interested SMEs should submit a [BioCreate intake form](#). A representative from the BioCreate team will reach out to you to discuss your project idea. Ontario Genomics' BioCreate team will evaluate eligibility and eligible applicants will be invited to submit an application. Companies that are not currently eligible will be provided with advice on furthering their business idea and will be encouraged to apply to a future BioCreate cohort, as appropriate.

- **Stage 2: Invitation to Submit Application/Submission of Written Application**
 - Use the provided BioCreate program application form to describe the project and company/team
 - Due dates for application submission can be found on the [BioCreate webpage](#), application review and funding decisions will occur twice per year. Any applications that are submitted after an application due date will be automatically moved to the next cohort.
 - Applications will be reviewed by the BioCreate team and the most competitive applicants will be invited to Stage 3: Pitch.

- **Stage 3: Pitch to BioCreate Expert Panel**

- Applicants will present their company and project to the BioCreate expert panel (including BioCreate partners, biotechnology industry professionals, technology experts, VCs, end users representing market segments, or other). The projects will be ranked based on the strength of the company and project and against the *Evaluation Criteria* (below), and the most competitive projects will be funded. As part of our commitment to IDEA, our panel members will have completed training in reviewing proposals with these considerations in mind.

Phase II: Intensive Business Mentorship

SMEs selected for funding in Phase I will be paired up with an BioCreate team member throughout their 18-month project. Regular touchpoints and meetings will be held to identify critical issues, whether technical or business, that the SME is trying to solve. Ontario Genomics will then provide access to expert mentors, both within Ontario Genomics and externally from the **BioCreate Mentorship Network**, who can work with the SME over the 18-month program. SME-Mentor matches will be made based on mutual interest and alignment of needs and expertise. A structured matchmaking processes will be used to facilitate organic mentor-mentee relationships.

As part of the mentorship process, the awarded project budget must include at least \$5,000 in funding (out of the total \$150,000 in funding provided by BioCreate) to be designated for access to highly specialized and required expertise regarding IP and/or regulation. Examples of this could include off-setting costs of working with a patent expert for patent protection or working with a regulatory consultant to develop a pathway for approval of a technology or product in regulated industries such as food or healthcare.

The BioCreate team will work with companies to provide access to infrastructure and additional services through the BioCreate Partner Organizations, located across Ontario. Infrastructure such as lab space could be provided as part of admittance to the incubator or on a fee-for-service basis, depending on the partner organization. Lab space is not guaranteed through the program; however, every effort will be made to help the company find space if needed. See the Partner Organizations section of the Program Guide for more details. A BioCreate team member can help with determining the best options for your goals and provide introductions to organizations which could be a good fit.

Community building is another essential component of success for companies developing innovative engineering biology and genomic technology-based businesses. Companies will be invited to informal networking events with other founders, partners, funders, as well as broader networking events that could be beneficial. These events will encourage knowledge sharing between companies to foster connections, facilitate overcoming hurdles and identify synergistic opportunities and alignment.

Phase III: Investor Showcase

A critical objective of the BioCreate program is to help SMEs raise follow-on funding to grow their businesses. As part of this, an investor showcase will be held for each cohort of companies nearing the end of their 18-month project to pitch to a seasoned panel of investors. Ontario Genomics will curate a list of venture capitalists, angel investors, and industry partners to attend the pitch event. The objective of these events is for the SMEs to have an opportunity to secure follow-on investment to advance their technology towards commercialization. An informal networking reception will also be held after the teams have pitched that will allow personal connections to be established between investors and companies.

Application Steps*

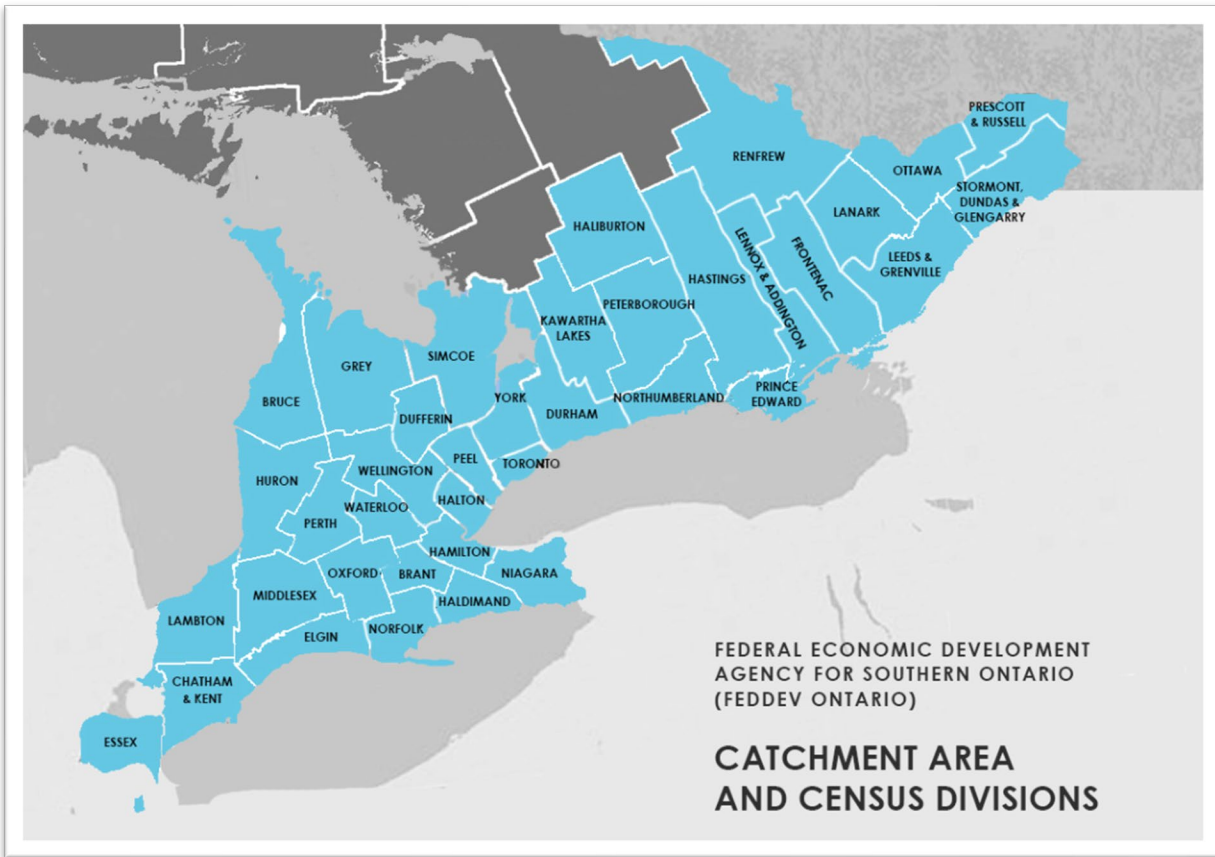
Phase I – BioCreate Funding
<ul style="list-style-type: none">• Complete intake form on the BioCreate website
<ul style="list-style-type: none">• Intake call with the BioCreate team
<ul style="list-style-type: none">• Eligible applicants invited to submit an application (deadlines in Spring and Fall of each year)
<ul style="list-style-type: none">• Applications submitted
<ul style="list-style-type: none">• Application review and invitation to pitch
<ul style="list-style-type: none">• Company pitch to BioCreate expert panel
<ul style="list-style-type: none">• Notification of Awards
<ul style="list-style-type: none">• Contract Executed
<ul style="list-style-type: none">• 18-month BioCreate project launched
Phase II - Intensive Business Mentorship
Phase III - Investor Showcase

*Dates for upcoming application submission due dates can be found on the [BioCreate webpage](#). Any applications that are submitted after an application due date will be automatically moved to the next cohort.

6. Eligibility Criteria

To be eligible for BioCreate, a proposal must conform to the following criteria:

- Applicants must be a Canadian or provincially incorporated business
- Project must be led by a SME located in southern Ontario (see map)
- Include use of genomics or engineering biology technology, or be genomics or engineering biology-enabled or enabling
- Conduct research and development starting at TRL 4+ and advance to TRL 7+ during the project
- Each project must be matched with \$100,000 minimum in funding from the company. Cash and/or in-kind from the company or project partners can be used to match the funding
- The project must be performed in Ontario and awarded funds cannot flow outside of Ontario unless first approved by Ontario Genomics
- Funded projects must clearly articulate their plan to attract investment, create jobs and improve lives in southern Ontario in the near to long-term
- Project should be 18-months in duration
- Applicants must follow the application process outlined.



7. Evaluation Criteria

The proposals demonstrating the highest degree of overall fit with the *Evaluation Criteria* will be deemed the most competitive, and the top-ranked applicants will be invited to pitch to the BioCreate Expert Panel. Those invited to the pitch phase will be critiqued based on the additional details provided via the pitch, strength of the project overall and fit with the evaluation criteria.

If considered eligible, project proposals will be evaluated based on the following criteria:

- Companies must demonstrate understanding of their target customers, global market, competition, and their competitive advantage
- TRL progression/advancement within the project (from TRL 4+ to TRL 7+), creating an inflection in value (defined by customer feedback and market analysis)
- Project team has the expertise and resources necessary for the proposed project
- Background and rationale (including industry pull and market need) for the project
- Innovative aspects of the project, including genomics and/or engineering biology, preliminary data and any background information necessary to demonstrate feasibility
- Demonstrated benefits to southern Ontario and to the company eg. Job creation, investment attraction, etc.
- Detailed project work plan, including project objectives, activities, milestones, timelines, risk mitigation considerations, and specific roles and responsibilities of the applicants and team

- Next steps and pathway to commercialization are clearly articulated
- Budgeted costs are reasonable and aligned with the proposed project plan and activities
- Principles of Inclusion, Diversity, Equity and Accessibility (IDEA): the applicant should describe plans that will facilitate removal of barriers to the recruitment and full participation of individuals from underrepresented groups to their team, including the four designated groups as defined by the Employment Equity Act (women, Indigenous Peoples, members of visible minorities, and persons with disabilities).

8. Post-award Requirements

Notifications:

- Successful applicants will receive a Notice of Award (NOA) and the BioCreate Project Agreement with final conditions for disbursement of funding as required by Ontario Genomics – these conditions include provision of lay summary for distribution through social media; as well as public acknowledgement of support by the Government of Canada through the Federal Economic Development Agency for Southern Ontario (FedDev Ontario), and by Ontario Genomics in any publications, presentations, public promotions and outreach activities stemming from this project.

Companies must agree to:

- Enter into a Project Agreement with Ontario Genomics within 10 business days from the receipt of the Agreement.
- Participate in the BioCreate mentorship program (CEO or Executive level), as outlined in Phase II, above.
- Present at the investor showcase (Phase III), above.
- Complete reporting requirements during the 18-month project period and impact metrics collection for up to 5 years following completion of the project.
- Publicly acknowledge the federal government’s role in the funding provided through the Project Agreement, and consent to the participation of the Minister or the Minister’s representatives at the announcement event of the Eligible Project.
- Participate in announcements from the Minister of the Federal Economic Development Agency for southern Ontario and announcements from Ontario Genomics about the Eligible Projects.
- Ensure that funding is only used for eligible project costs defined under the program (See *Appendix B – Financial Guidelines and Eligible Costs*, and the BioCreate Budget and Workplan for further details).
- Agree to abide by Ontario Genomics IP policy (see *Appendix C*). Note that Project IP supported through this program, and the ownership of Project IP rights therefore, shall remain in Canada for the duration of the Agreement unless agreed to by Ontario Genomics and FedDev Ontario.
- Companies must maintain proper and accurate accounts and records in relation to the Project for at least 6 years after the completion date for Program audit purposes.
- Principles of Inclusion, Diversity, Equality and Accessibility (IDEA): Companies must agree to participate in any IDEA training recommended by the BioCreate team and to taking actions that facilitate the removal of barriers to the recruitment and full participation of individuals from all underrepresented groups, including the four designated employment equity groups as defined by the Employment Equity Act (women, Indigenous Peoples, members of visible minorities, and persons with disabilities) on their team.

Appendix A

Technology Readiness Levels (TRL)⁴

- TRL 1 – basic principles observed
- TRL 2 – technology concept formulated
- TRL 3 – experimental proof of concept
- TRL 4 – technology validated in lab
- TRL 5 – technology validated in relevant environment (industrially relevant environment in the case of key enabling technologies)
- TRL 6 – technology demonstrated in relevant environment (industrially relevant environment in the case of key enabling technologies)
- TRL 7 – system prototype demonstration in operational environment
- TRL 8 – system complete and qualified
- TRL 9 – actual system proven in operational environment (competitive manufacturing in the case of key enabling technologies; or in space)

• ⁴ *Note: please refer to for further details on TRL definitions:*
[https://www.ic.gc.ca/eic/site/125.nsf/eng/00007.html#annex-a.](https://www.ic.gc.ca/eic/site/125.nsf/eng/00007.html#annex-a)

Appendix B - Financial Guidelines and Eligible Costs

Eligible Project Expenses:

- Labour
- Subcontractors and Consultants
- Direct materials
- Equipment (must be essential for the project).
- Other Direct Costs

Labour

The portion of gross wages or salaries incurred and paid by the applicant for approved project activities which can be specifically identified and measured as having been performed for the project and which is so identified and measured consistently by the applicant's cost accounting system. The cost accounting system should sufficiently prove the hours worked by employees are directly related to the approved project activities.

Subcontractors and Consultants

The costs of Subcontracts or Consultants incurred and paid for approved project activities are the costs for work or services performed by an external third party, which can be specifically identified and measured as having been incurred and paid for the approved project activities. The applicant cannot be a recipient of BioCreate funding and a Subcontractor for the same project.

Direct materials

The cost of materials which are incurred and paid and can be specifically identified and measured as having been processed, manufactured and used in the performance of the approved project activities, which are measured consistently by the applicant's cost accounting system.

- i. Materials purchased solely for the approved project activities shall be at the net laid down cost to the applicant, net of any sale taxes and after any discounts offered by the suppliers.
- ii. Materials issued from the applicant's general stocks shall be measured in accordance with the material pricing method consistently used by the applicant.

Direct Materials include but are not limited to any raw material that is "used up" by completing approved project activities.

Equipment (must be essential for the project).

The capital cost of Equipment, which are incurred and paid and can be specifically identified as having been purchased for approved project activities and measured consistently by the applicant's costing system. Significant Equipment required to complete the approved project activities should be detailed in the project work plan. See below scenarios for clarification of costs related to Equipment:

- i. If an applicant has built the equipment themselves, the costs would be allocated to the appropriate cost categories (Direct Material, Direct Labour, etc.);
- ii. If an applicant has equipment built by a third party, the costs would be allocated to the equipment category if readily identifiable, otherwise the equipment could be reported in Subcontractors category; and
- iii. If an applicant outright purchases a piece of equipment, the costs would be allocated to the Equipment category.

Equipment costs include but are not limited to, the purchase of equipment necessary for the approved project activities, costs to alter or modernize the equipment, costs to get the equipment into working order, and shipping costs.

Capital equipment acquired for the project may be subject to BioCreate and FedDev Ontario approval for disposal, which will be outlined in the Agreement.

Other Direct Costs

These are eligible direct costs, not falling within the categories of Direct Costs mentioned above, but which are incurred and paid, and can be specifically identified and measured as having been incurred and paid by the applicant for approved project activities and which are so identified and measured consistently by the applicant's costing system.

Travel and Outreach Costs meaning those eligible direct costs incurred and paid by the applicant that are directly related to approved project activities. Travel expenses shall be appropriate, economical, reasonable and available to most of the employees of the applicant. Travel costs can be claimed, to the maximum allowance, with prior approval from Ontario Genomics.

Ineligible Costs

Ineligible costs include, but are not limited to, the following:

- Costs of land, building or vehicle purchase or rental
- Refinancing
- Costs of intangible assets such as goodwill, whether capitalized or expensed
- Depreciation or amortization expenses
- Interest on invested capital, bonds, debentures, or mortgages
- Bond discount
- Losses on investments, bad debts and any other debts
- Fines or penalties
- Costs related to litigation
- Non-incremental wages
- Fees for administrators, including payments to any member or officer of the Recipient's Board of Directors
- Opportunity costs
- Hospitality and entertainment costs
- Costs of individual membership in a professional body (e.g. professional designations); and
- Lobbyist fees

Financial Supporting Documentation

Include documentation to show proof of cash, in-kind, or funding commitments from investors or granting organizations to meet the matching requirements for the BioCreate funding.

- Proof of financial ability to take on the project can include:
 - Financial Statements
 - Term Sheets or Agreements from Investors or Granting Organizations
 - Interim Financial Statements
 - OG is willing to consider other financing proof options on a case-by-case basis

Appendix C - Ontario Genomics Intellectual Property Policy

Intellectual Property Policy

Broad access to samples, data and research tools is a prerequisite to scientific advancement and innovation. Different forms of intellectual property may arise from this advancement. The translation of new technology, from discovery to application, can be accomplished through multiple channels including intellectual property (IP). Businesses need to protect their intellectual property, just as they would their physical assets such as buildings and equipment. Patents, copyrights, trademarks, registered industrial designs, plant breeders' rights, geographical indications, or trade secrets for example, can give entrepreneurs an important advantage over their competitors.

Other translation channels (e.g., open innovation, public domain open science, click-wrap licensing) that lead to the development of products, tools or processes that address public needs without impeding research can also be considered by academic project participants. The objective of this policy is however limited to setting forth the general principles governing ownership of intellectual property created or acquired as part of projects in which Ontario Genomics is a funder. Note that projects where Genome Canada is the primary funder are governed by Genome Canada's IP policy.

Ontario Genomics expects recipients of funds to develop patents, licenses and material sharing policies that will promote product development and commercialization with an economic impact for Canada.

1. OWNERSHIP OF INTELLECTUAL PROPERTY

1.1. In its dealings with federal or provincial government departments or crown corporations, private sector companies, universities, colleges, research hospitals or any other participants (the "Participants"), Ontario Genomics shall promote and facilitate product, tool or process development and commercialization, and encourage ownership by such Participants of intellectual property created or acquired as part of projects in which Ontario Genomics is a funder in accordance with each of the Participants' internal intellectual property policy and provincial and federal legislation, if applicable.

2. EXPLOITATION OF INTELLECTUAL PROPERTY

2.1. Participants and Ontario Genomics shall use their best efforts to ensure intellectual property created or developed with funding from Ontario Genomics is exploited in a timely manner within Canada in a way that maximizes benefits for Ontario and Canada.

2.2. IP licensing agreements should be fair and reflect market value of the asset.

2.3. Ontario Genomics may publicly share non-confidential information about IP created or advanced through their programs in their public facing communications.

2.4. Note that some Ontario Genomics programs have restrictions on the exploitation or sale of IP outside of Canada. Participants must consult the relevant program guidelines and/or funding agreements.

3. PROTECTION OF INTELLECTUAL PROPERTY

3.1. Ontario Genomics shall require the Participants to implement proper mechanisms for the protection of intellectual property in accordance with provincial and federal legislation, if applicable, including without limiting the execution of nondisclosure and confidentiality covenants by employees of Participants. Ontario Genomics understands the importance of keeping intellectual property confidential. When project Participants disclose

information on background IP or IP developed as a result of the funded project, Ontario Genomics will respect the confidentiality of this information.

3.2. Academic recipients of funding are expected to make results of the project readily available and accessible to the public in pursuing the furtherance of scientific knowledge through public communication, except for intellectual property derived from work done for industrial clients on a fee for service or contractual basis, or in the case where time is required to submit necessary patent filings.

3.3. SME recipients of funding are expected to seek the necessary protection of Intellectual Property and to have in place a strong IP strategy to exploit their technology for the benefit of the SME and Canada. These costs can be eligible under Ontario Genomics programs and applicants should consult the relevant program guidelines or contact an Ontario Genomics staff member to discuss.

3.4. All program participants and service providers must, in advance of submitting an application, come to an agreement about how Background IP brought to the project and foreground IP created during the project will be shared, protected and commercialized if applicable. Ontario Genomics will not take responsibility in any IP ownership disputes that arise between the program partners and service providers. It is expected that the parties involved will exercise good faith negotiations to resolve the matter, or retain a mediator through mutual agreement to resolve the dispute.

3.5. If a dispute arises concerning the ownership of the Intellectual Property between Ontario Genomics and a Participant (the parties) the Parties shall attempt to resolve the matter through good faith negotiation, and may, if necessary and the Parties consent in writing, resolve the matter through mediation or by arbitration, by a mutually acceptable mediator or arbitration in accordance with the Commercial Arbitration Code set out in the schedule to the Commercial Arbitration Act (Canada), and all regulations made pursuant to that Act

EFFECT OF THE POLICY

This policy is effective as of July 1, 2022 and will remain in effect until such time as it is amended or replaced by another policy.