

ONTARIO GENOMICS REGIONAL GAPP Program Guide - 2025

Fueling Ontario's Next Generation of Biotech Spinouts

OVERVIEW

The Genomics Applied Partnership Program (GAPP) represents a critical piece of the Canadian Genomics Strategy. Genomics as a science has matured to the point that commercialization can become a major objective.

As part of the GAPP investment, Genome Canada has provided \$4 million over four years to Ontario Genomics for regional priority projects. Ontario Genomics' Regional GAPP program responds to the Government of Ontario's emphasis on the facilitation and acceleration of commercialization from academic institutions, focusing on made-in-Ontario biotech innovations. The Ontario Ministry of Colleges, Universities, Research Excellence and Security (MCURES) has committed to match the Genome Canada contribution through the Ontario Research Fund (ORF) for the 2025 Round, pending Ministry's approval of projects¹.

While Ontario is home to world-class universities, research institutes, and highly qualified personnel (HQP) who generate groundbreaking innovations, many of these advances fail to progress beyond the laboratory. Spinout companies – formed to commercialize academic intellectual property (IP) – represent a key mechanism to translate these innovations into products, services, and platforms that can generate economic and social benefits. However, these companies face well-recognized barriers, including limited access to capital, potentially long commercialization timelines, and a lack of business expertise within founding teams.

The Ontario Genomics regional GAPP program aims to fund projects at this critical lab-to-company technology transfer stage. This support will benefit spinout companies through growth, in-house R&D, progression along the commercialization pathway, independence from academic institutions, and positioning them to raise a seed round at the project's end. The benefits to Ontario include company retention, job creation, talent attraction, the creation and utility of Ontario IP, tax revenue generation, reputational enhancement, attraction of foreign investment, and bolstering provincial economic resilience.

PROGRAM OBJECTIVES

- Accelerate translation of products, platforms or IP from an academic lab into a company, benefit companies, Ontario's economy and support made-in-Ontario IP
- Position early-stage Ontario companies to raise follow-on funding at project end
- Develop business acumen in post-graduate trainees to build a pool of HQP to lead the next wave of biotech companies in Ontario
- Position Ontario as a hub for the creation, growth and scaling of biotech innovation

¹ To be eligible for ORF funding, a project must first be successfully awarded Genome Canada funding. A separate application to MCURES is required. Availability of MCURES/ORF funding will be assessed on an annual basis.

EXPECTED OUTCOMES

- Growth and independence of spinout companies
- Transfer of background IP from academia into companies
- Creation of new foreground IP held by receptor companies
- Validated prototypes or platforms progressing along the commercialization pipeline
- Follow-on financing from private sources
- Job creation, retention of HQP, and generation of new tax revenues

ELIGIBILITY CRITERIA

- The project supports the invention, development or commercialization of a **genomics-based or -enabled, biotechnological innovation** with a clearly articulated market opportunity
- The spinout company (receptor) acts as Project Leader and is a Canadian for-profit enterprise (FPE).
- The project is driven by spinout company need, in partnership with a researcher, and will facilitate translation of IP from academia into the commercialization pathway
- There must be active and necessary roles for the receptor and the researcher
- Additional partners are not mandatory but may strengthen a proposal (e.g. established companies interested in a strategic or distribution partnership, or interest as customers or off takers)
- The spinout receptor is incorporated, Canadian-owned, and based in Ontario
- The spinout company stage is pre-seed or earlier
- The company has a minimum of two employees (including executives)
- If the designated researcher lead is also the CEO of the receptor company, the company governance board must have at least one additional member for independent decision making
- The project has the potential to generate social and economic impacts and benefits to the receptor and to Ontario.
- Final eligibility decisions rest with Ontario Genomics

GAPP is not intended to fund:

- Market research
- Commercial launches of already-developed technology
- Patent enforcement or litigation
- Projects, project components or service provision (e.g., routine analyses or certain types of clinical trials) that would normally be funded solely by the receptor

PARTNERSHIPS

Each project must be a partnership between a receptor company and researcher, with optional support from one or more private sector partners. The project partnership must require the expertise and resources of both the receptor and researcher, and both are expected to play active and necessary roles. Refer to the information below and Genome Canada's [Guidelines for Funding](#).

Receptor

- A receptor is an Ontario for-profit enterprise (FPE) with an economic interest in developing an idea or research into a commercial application. They must be pre-seed or earlier and incorporated or headquartered in Ontario.
- They must be at the point of spinning-out of an academic lab, with a view to full independence by project end.
- The receptor must satisfy specific requirements as to ownership, control, and independence. The requirements are detailed in Appendix A.
- Projects must include one receptor lead, who acts as the project leader. The receptor leader owns or is employed by the receptor.

Receptor independence

A receptor project leader cannot also act as a researcher.

Researcher

Projects must include one researcher who acts as the administrative project leader and receives Genome Canada and ORF funding. Researchers must be employed by eligible institutions:

- Canadian post-secondary institutions
- Research institutes or hospitals
- Not-for-profit organizations with explicit research mandates

AVAILABLE TERM AND FUNDING

- The project term is 1-2 years. No extension will be granted.
- Four projects will be funded per year.
- Project budget will be a minimum of \$667,734
 - \$222,578 from Genome Canada
 - \$222,578 from MCURES/ORF
 - ≥\$222,578 from the private sector (for-profit entities)
- One hundred per cent of the co-funding for the project must be received or committed before funds can be released. Genome Canada reserves the right to withdraw its funding for any approved project that does not meet this requirement or if there is a change in a project's co-funding status.
- Receptor co-funding can be confirmed on a year-by-year basis. In this circumstance, co-funding for the first year must be secured and a well-developed, feasible plan for securing the remaining co-funding in place at the time of the release of funds to the project. Genome Canada reserves the right to withdraw funding if receptor co-funding is not confirmed on an annual basis.
- Projects must begin on or before the next March 31.

ELIGIBLE COSTS

In addition to the eligible costs described in Genome Canada's [Guidelines for Funding](#), the following also apply to Ontario Genomics' Regional GAPP:

- Project budgets can include individual equipment items that cost less than or equal to \$20,000. Requests for more expensive equipment will be assessed on a case-by-case basis. Such expenses

will be considered eligible only if the equipment is specific to the project, crucial to its success, and cannot reasonably be funded by other sources or accessed by other means.

- The collective allocation of Genome Canada funds for equipment cannot exceed 10 per cent of the approved Genome Canada funding, regardless of the total value of equipment expenses allowed. Eligible equipment costs that exceed this limit must be covered by other approved funding sources.
- Project budgets may include services from others with a total cost less of than or equal to 25 per cent of the total budget. Requests for services from others beyond that amount will be assessed on a case-by-case basis. Such services will be considered eligible only if they are specific to the project, crucial to its success, and cannot reasonably be completed by the project team.
- Receptors can allocate up to 20 per cent of Genome Canada funding for IP protection, including patent prosecution (but not patent enforcement or litigation). Only IP resulting from the project is eligible.

Application and Adjudication Process

The application and adjudication process consists of five distinct stages. At each stage, applications are evaluated, and only those that meet the required criteria progress to the next phase. Since the process is competitive, applications may be eliminated at any stage if they do not fulfill the necessary requirements or demonstrate sufficient merit. This approach ensures that only the most suitable and competitive projects advance through the program.

- 1) Eligibility and suitability screening calls with Ontario Genomics – if requirements are met, an application form will be provided to the project team following the call
- 2) Application forms submitted – Ontario Genomics reconfirms eligibility and carries out preliminary competitiveness
- 3) Top ~16 applications go to at-home external technical and merit review
- 4) Top ~8 applications go to external panel review and pitch
- 5) Top 4 applications are funded

Application forms will allow evaluation of project team and eligibility, competitiveness, market pull/opportunity, commercialization plan and likelihood of success, benefits to the company and to Ontario, IP strategy and IDEA considerations. Budgets, financial viability and co-funding plans will undergo financial review and be assessed for appropriateness for project plan.

CONTACT

- 1) Liz Edmonds, Senior Advisor, Sector Innovation & Programs, ledmonds@ontariogenomics.ca
- 2) Laura Riley, Director, Sector Innovation & Programs, lriley@ontariogenomics.ca

APPENDIX A. RECEPTOR ELIGIBILITY

Applicants will be required to attest that the following eligibility requirements have been met.

RECEPTOR OWNERSHIP

A receptor must be a private for-profit spinout company that is majority-owned by Canadians, defined as direct ownership of stock or equity in the receptor on a fully diluted basis (i.e., total shares or equity outstanding if all possible sources of conversion were to be exercised). This includes, but is not limited to, outstanding stock or equity (both common and preferred), warrants, options or other convertible securities. The majority (more than 50 per cent) of the receptor’s equity must be directly owned by one of the following:

- One or more individuals who are citizens or permanent residents of Canada
- Other FPEs directly owned and controlled by individuals who are citizens or permanent residents of Canada
- Other publicly traded FPEs residing in Canada
- Any combination of the above

Examples of different ownership structures and eligibility outcomes are in Table A1.

RECEPTOR CONTROL

Receptor control must be exercised in Canada. Control is defined as the authority to make decisions regarding the receptor’s management and policies.

Table A1: Examples of ownership share as a percentage of stock in a receptor that is a privately held FPE to determine eligibility for GAPP funding

Example	Individuals ⁱ	Canadian ⁱⁱ FPE #1	Canadian ⁱⁱ FPE #2	Canadian public institution ⁱⁱⁱ	Foreign ^{iv} individuals or FPEs	% Canadian ownership	Eligible?
1	100					100%	Yes
2	50	50				100%	Yes
3	35	60		5		95%	Yes
4	10	40	20	10	20	70%	Yes
5		30	30	10	30	60%	Yes
6		40			60	40%	No
7		45		10	45	45%	No
8		50			50	50%	No
9	25			25	50	25%	No
10					100	0%	No

ⁱ Individuals are citizens or permanent residents of Canada.

ⁱⁱ A Canadian FPE is a business, other than the receptor, that is directly owned and controlled by one or more individuals who are citizens or permanent residents of Canada.

ⁱⁱⁱ A Canadian public institution is a publicly funded, non-profit organization. Typically, it is a university that takes an equity position in a start-up company.

^{iv} Foreign individuals are neither citizens nor permanent residents of Canada. Foreign FPEs are businesses that are not domiciled in Canada and/or not directly owned and controlled by one or more individuals who are citizens or permanent residents of Canada.

APPENDIX B: INSTRUCTIONS AND TEMPLATE FOR CO-FUNDING COMMITMENT LETTER

INSTRUCTIONS

1. Fill in all the bolded sections with the requested information and remove any outstanding bolded text.
2. In the table provided, break down the co-funding support provided by the organization. The definitions for the columns are as follows:
 - a. Component: Budget line item description. For examples, consult sections 4 and 5 in Genome Canada's [Guidelines for Funding](#).
 - b. Type: The types of co-funding that can be provided include unrestricted cash, restricted cash (as specified by funder), and in-kind contributions.
 - c. Amount: Specify the amount of support for that specific budget line item.
 - d. Reference: Provide a one-page document that supports the cost outlined for the line item (invoice, purchase order, proof of competitive salary cost, etc.).
3. In the **TOTAL AMOUNT** row at the bottom of the table, provide the total amount of co-funding support. This should be the same number quoted in the paragraph above the table.
4. The purpose of the "Reference" column is to link the justification for the valuation/cost in the reference provided as part of this letter. (Full details about acceptable documentation are in the [Guidelines for Funding](#).)

TEMPLATE:

Co-funder contact name and address details

[Date]

Genome Canada contact name and address details

Laurie Andresen
 Genome Canada
 150 Metcalfe Street
 Suite 2100
 Ottawa
 ON K2P 1P1

Dear **[Genome Canada contact name]**,

I am writing to express our support for the research project titled “[**Project Title**],” led by **[Receptor Project Leader’s name]** at **[receptor name]** and **[researcher]** at **[name of your institution or organization]**.

Our organization, **[name of your institution or organization]**, is committed to contributing to the success of this project through co-funding support for a total of **[amount]**, as reflected in the table below.

Component	Type	Amount	Reference (1 page maximum)
TOTAL AMOUNT			

We believe this collaboration will not only enhance the project’s outcomes but also foster a strong partnership between our institutions. We are confident that the combined expertise and resources of our teams will lead to significant advancements in **[research field]**.

Please feel free to contact me at **[your email address]** or **[your phone number]** if you require any further information or have any questions regarding our support. We look forward to the opportunity to work together on this important initiative.

Thank you for considering our contribution to this promising project.

Sincerely,

[Your name]
[Your title]
[Name of your institution or organization]