PRE-BUDGET SUBMISSION

In advance of the Fall 2026 Federal Budget

Submitted by adMare BioInnovations

Canada's life sciences company creation engine

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The recommendation

> **Invest $200 million over five years to build on a proven federal partnership and operationalize the Pharmaceutical and Life Sciences Task Force research translation recommendations through adMare's Validation, Incubation and Acceleration innovation continuum model.**

This investment would close an existing program funding gap for a model that has already demonstrated its ability to translate scientific discovery into a strong pipeline of investable, globally competitive Canadian companies. It would solidify and scale this national capacity at precisely the moment the Government of Canada is seeking to accelerate made-in-Canada life sciences company creation, unlock private sector investment, and capture increased domestic economic benefit.

Why this matters now

Canada's life sciences sector is an underused engine of economic growth. Life sciences companies drive productivity, create high-value jobs, attract investment, and strengthen sovereign industrial capacity. Yet, the recent Pharmaceutical and Life Sciences Task Force report reiterated a challenge adMare has been championing for several years: Canada does not currently have a domestic innovative pharmaceutical anchor company.

The opportunity is significant. The Task Force estimates that two to three commercial-stage Canadian anchor firms could generate $5 billion to $10 billion in annual revenue and more than 10,000 jobs. Life sciences is the top-performing sector on 10-year returns, and therapeutics companies make-up six of Canada's ten largest venture-backed exits. However, the sector only draws 7% of Canadian venture capital and is overly dependent on foreign capital to scale. As a result, nearly 80% of the economic value created by these companies is exported. **The companies that do attract investment outperform. Canada simply needs more of them, built with the foundations that root them here.**

The sector also aligns directly with national priorities laid out in Canada's *Defence Industrial Strategy* and *Artificial Intelligence Strategy: AI for all.* Life sciences is increasingly recognized as a strategic sector capable of advancing biosecurity, health emergency preparedness, medical countermeasures, and the operational readiness of the Canadian Armed Forces, while serving as a priority area of AI-enabled innovation and investment.

The core problem:
Canada's research translation and anchor company gap

Canada produces world-class life sciences research, and it has been noted that the country is good at creating companies. The constraint is not scientific strength or company formation alone. It's the ability to consistently turn discovery into investable companies with validated science, protected IP, defined markets, experienced leadership, credible development plans along with strong domestic roots - lab space, talent, networks, investors, and policies - that keep company growth anchored in Canada.

The gap is becoming more acute. Canadian life sciences venture capital recorded its worst half on record in 2026: $258 million across 49 deals, down 39% year-over-year, even as overall Canadian VC investment grew 17% year-over-year. Globally, biotech capital is recovering but concentrating in fewer, larger, and more de-risked deals - creating a growing funding gap for the earliest stages of research translation.

Compounding the challenge, Canada's conversion gap between pre-seed/seed and Series A financing has been widening since 2021. More companies are starting; fewer are attracting follow-on investment. ***This is an investment-readiness signal as much as a capital-availability one.***

The solution: scale a model that already works

The Task Force recommends closing funding and coordination gaps between discovery and investment readiness through a Canadian, innovation-continuum program scaled for full commercialization pathways, complemented by stronger incubation infrastructure. Its additional recommendations, including an angel/seed capital tax credit program, leveraging VCCI, and expanded later-stage domestic capital, extend the runway once companies become investable. Government has already begun advancing these downstream tools through BDC's new Life Sciences Fund and the life sciences stream of the Growth Venture Capital Catalyst Initiative, with further potential through the Canada Growth Fund and Buy Canada. **Their success, however, depends on a strong and continual pipeline of investment-ready Canadian companies to fund**.

adMare BioInnovations was established to address exactly this challenge. Through a decade of partnership with the Government of Canada, adMare has developed a nationally unique company creation platform that combines early-stage capital, industry expertise, intellectual property strategy, lab infrastructure, leadership development, talent support and investor networks to transform discovery into high-growth Canadian companies. Built with previous federal investment, the platform continues to deliver results and provide Canada with a proven mechanism to strengthen research translation and develop investable companies:

- **Strong return on public investment:** Supported by federal contributions from 2017-2025, adMare has invested $121 million in Canadian life sciences companies and generated $147 million in realized returns that have been fully reinvested, more than doubling the availability of early-stage capital. Further, adMare portfolio companies have raised $2.5 billion in risk capital, representing *14x private-sector leverage on government-supported investment.*

- **Proven ability to create investable companies:** Within adMare's direct investment portfolio of 31 companies, 16 have successfully crossed the "valley of death" and raised substantial growth capital, *a conversion rate approximately three times the Canadian average* over the past five years and comparable to leading U.S. benchmarks.

- **A critical feeder into Canada's venture capital ecosystem:** Two-thirds of adMare portfolio companies are held by leading Canadian life sciences investors, demonstrating adMare's role in creating the investment-ready companies required to deploy domestic venture capital and capture more value in Canada

- **Proven research translation pathways**: adMare has supported more than 30 research translation projects with Canadian academic institutions, creating a repeatable pathway from scientific discovery to company creation. Recent examples include Ocythera and 26 Therapeutics, both of which emerged from longstanding collaborations with Queen's University.

- **National ecosystem-building capacity:** Beyond its direct investment portfolio, adMare has provided commercialization support, mentorship and industry expertise to additional companies, directly supporting the creation and growth of 54 Canadian life sciences companies.

- **National infrastructure and talent platform**: adMare's company-creation model is supported by more than 200,000 square feet of lab infrastructure and commercialization and leadership programs, including the adMare Executive Institute, whose 150 alumni are helping lead and grow companies across Canada

The ask and expected results

adMare BioInnovations proposes a new five-year, $200 million federal investment to operationalize the Task Force's research translation recommendations and scale Canada's life sciences company creation capacity.

Structured as an innovation-continuum program, the investment would support three integrated streams tailored to different points along the commercialization pathway: Validation, Incubation, and Acceleration. Together, these streams strengthen the bridge between discovery and investment readiness while creating a sustained pipeline of investable, Canadian-anchored life sciences companies. The program also creates a flexible platform through which opportunities that align with health, defence-, artificial intelligence, and economic objectives can be prioritized, as needed.

Stream	Allocation	Typical scenario	Primary purpose
Validation: *Discovery to NewCo*	$36M	~$2M pre-seed financing per project, plus ~$1M company-creation support for the ~60% of projects expected to progress	Generate scientific and commercial data, then support validated projects in initial operating foundations
Incubation: *NewCo to Investment - Ready*	$61M	~$3.2M seed financing per company for graduates of the Validation Stream and other external programs that meet adMare criteria	Build investable companies with strong scientific, IP, leadership, operational, and domestic foundations
Acceleration: *Catalytic Series A+ growth*	$103M	Milestone-based follow-on investment; total adMare support (including previous Validation and Incubation investment) may reach up to $10 million per company.	Continued participation at this stage signals confidence in company, helping to catalyze larger financing rounds, facilitate syndicate formation, generate substantial private-sector leverage, and anchor company growth in Canada.

Over five years, the program is expected to produce a sustained pipeline of 30+ investable Canadian life sciences companies moving from discovery through Series A and beyond – *supporting the long-term creation of domestic pharmaceutical and life sciences anchor companies.*

Conclusion

Canada needs an integrated pathway that converts public research, talent and infrastructure into investable companies, then connects those companies to the larger sources of capital required for growth. adMare offers a ready-to-scale implementation platform with federal delivery experience, national infrastructure and a demonstrated ability to attract private investment.

A five-year, $200 million federal investment would close the current program gap, immediately operationalize the Task Force's research translation recommendations and scale a proven national company creation platform. It would help ensure that more Canadian discoveries become Canadian companies, and that more Canadian companies have the foundations to become globally competitive enterprises and future anchor firms.

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