Contents

1. MESSAGES
   President and CEO’s Message .......................................................... 2
   Chair’s Message ........................................................................... 3

2. COMMITTEE REVIEWS
   Life Sciences Ontario 2015 Sector Report ....................................... 4
   Policy and Government Relations ................................................... 5
   Annual Awards Gala .................................................................. 6
   BIO International Convention ....................................................... 7
   Communications ........................................................................ 8
   Knowledge and Networking Breakfasts ......................................... 9
   Annual Life Sciences Policy Forum .............................................. 10
   Mentorship ............................................................................... 11
   Networking Nights ................................................................... 12
   Annual Golf Classic .................................................................. 13

3. ABOUT LSO
   Vision, Mission and Values .............................................................. 14
   Board of Directors ..................................................................... 15
   Members and Partners ................................................................ 16
   2015 Corporate Sponsors ............................................................ 17
   2015 Event Sponsors .................................................................. 18
   Committee Members .................................................................. 19

4. FINANCIALS
   Financial Report .......................................................................... 21
2015 was truly a banner year for LSO: We strengthened our position as the voice for Ontario’s Life Sciences industry, demonstrating advocacy, leadership, and collaborative organization to bring our diverse sector together and achieve results with strategic impact. Crucially, we showed that we can be a strong partner with the provincial Government to help advance Ontario’s life sciences agenda.

In February 2015, we launched the Life Sciences Sector report, providing first-in-class benchmark data on the significant economic contributions of Ontario’s life sciences industry. This report formed the basis for what has become the narrative of our sector in Ontario.

In June, we led the Ontario presence at the BIO international conference, and worked with the Hon. Reza Moridi, Minister of Research and Innovation, to initiate a bid to bring the world’s largest biotech conference to Toronto. This triggered a process that saw our entire sector, including CEOs, researchers, institutes, and provincial and municipal governments working together on a common goal. Representatives from Metro Toronto Convention Centre and Tourism Toronto described this process as “a new standard of how industry and government should engage in attracting international events to Toronto.” Although our bid was eventually unsuccessful due to the limited capacity of the MTCC, we demonstrated that we are a unified sector that can work collaboratively with government to raise the profile of Ontario’s life sciences sector internationally.

We rounded out 2015 with back-to-back events, hosting our first ever Queen’s Park Day, followed by the Annual Life Sciences Policy Forum. These initiatives were a great way for our members to engage with elected officials from across all political parties and senior members of the public service. That sentiment carried forward to our Policy Forum, where Deputy Minister Giles Gherson announced the Province’s commitment to working with leaders from the sector to create a unified and strategic life sciences agenda for Ontario. This public/private working group will become a major focus for LSO throughout 2016.

I’d like to take this opportunity to sincerely thank our members, sponsors, and partners for their continued support. We will continue to be a strong voice for Ontario’s life sciences community as we work with government to ensure that Ontario continues to develop as a global hub of life sciences innovation.

Jason Field
President & CEO, Life Sciences Ontario
Chair’s Message

Our President and CEO has noted that 2015 was a standout year for Life Sciences Ontario. I couldn’t agree more.

The united efforts of our staff, board, and members resulted in a commitment from the provincial government to prioritize life sciences as a strategic economic sector, and to work with the life sciences community on a growth strategy to achieve this crucial objective.

This is a massive opportunity, and we are seizing it as we speak: some of the key issues we plan to focus on include the successful commercialization of Ontario innovation, strategic procurement and market access, and access to capital.

However, we recognize that we need resources to achieve these goals. As part of our strategic planning exercise in 2015, the Board conducted a resource benchmarking exercise, comparing LSO with other provincial life sciences organizations across Canada. We discovered that while these organizations have the same mission and scope, most have significantly more revenue (up to 65% more) and staff (up to 60% more) than LSO.

Consequently, LSO embarked on an aggressive campaign in 2015 to increase revenue to market standards; this will afford us the resources to pursue our strategic priorities and affect significant policy change, while better serving our members. Truly, these objectives go hand in hand.

In fact, a key component of these new resources has just been initiated: As of March 1, 2016, LSO has added two new staff positions: a Communications Manager, and a Business Development Associate. These positions will be instrumental in supporting our work going forward.

In addition, there is an expectation that Ontario will have an increased presence and impact at this year’s BIO International convention. LSO has been asked to take on a greater leadership role in this regard, after its successful efforts in coordinating Ontario’s pavilion and the Minister’s itinerary at last year’s event (for more on our presence at BIO2015, see p.7).

If we are to succeed in creating a unified and economically fertile life sciences ecosystem in Ontario, we must bring together a wide range of stakeholders from our various subsectors. This point was emphasized by several speakers at the LSO policy conference in December; we have already begun to work toward creating these linkages, and will continue this important outreach as 2016 progresses.

In closing, LSO is grateful for your support. This is a relationship of mutuality, with long-term benefits in sight: we cannot be successful without you, and our sector cannot be successful without the leadership of a strong life sciences association.

Sincerely,

Paul Lucas,
Chair, Life Sciences Ontario
Ontario has all the building blocks to be the next global leader in Life Sciences

The Life Sciences Industry at a Glance

82,737 Jobs

- 25.1% Job Growth since 2001
- $40+B Revenues
- 26.5% Higher Wages than province-wide

20% Decline in VC Funds

- 48% of Toronto venture capital (VC) since 2001
- 3% Total Equity raise on TSK/TSXY
- 2.18% R&D Expenditure as a % of GDP
- 18.9% Unemployment Rate among science and tech
- 63% Firms have less than 10 Employees

146,800 Total Jobs

- 27,465 Drugs and Pharmaceuticals
- 22,605 Research, Testing, and Medical Laboratories
- 24,625 Medical Devices and Equipment
- 8,041 Agricultural Products, and Chemicals

Ontario Ranked in North America’s Top 3 in Number of Life Sciences Establishments

California
Ontario
Florida

Source: Life Sciences Ontario’s Sector Report 2015

Ontario’s Life Science Graduation Rate has increased by +27% while the national average is 10%

Canadian Patents
Applied/Awarded 2012

<table>
<thead>
<tr>
<th>Province</th>
<th>Patents Applied</th>
<th>Patents Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontario</td>
<td>9,872</td>
<td>3,805</td>
</tr>
<tr>
<td>Quebec</td>
<td>3,877</td>
<td>1,477</td>
</tr>
<tr>
<td>Alberta</td>
<td>3,509</td>
<td>1,890</td>
</tr>
<tr>
<td>B.C.</td>
<td>2,972</td>
<td>1,278</td>
</tr>
</tbody>
</table>

$448 M in income tax
$21.6 B to Ontario’s GDP

People working in the life sciences sector understand its broad impact on Ontario’s economy. Yet for many reasons, it wasn’t easy to find well-defined data that clearly measured and reported these economic contributions.

Life Sciences Ontario has met this need.


We hope it will help governments and regulators to make informed evidence-based decisions to help the life sciences sector grow even further.

The full report is available at http://www.lso.com. This infographic summarizes some of the key findings.

Life Sciences Ontario advocates for the economic strategies needed to drive greater growth in our sector.

You can help by joining LSO to help create an even stronger life sciences sector in Ontario.
The policy committee intensified its focus on the need for a provincial life sciences strategy, resulting in Deputy Minister Giles Gherson publically announcing the formation of an industry/government working group during the Fall Policy Forum. Life Sciences Ontario will play a lead role in this process, and ensure the working group delivers actionable advice to the government over the next year.

The Policy Committee – with the help of LSO board members – met with a broad range of government stakeholders during 2015 to build momentum and support for an Ontario life sciences strategy. LSO has played a lead role in raising awareness of the tremendous economic and social impact of life sciences across the province. In addition to in-person meetings, the policy committee has influenced government discourse by consulting broadly with our members to research and develop the following publications:

- “A Federal Economic Agenda for Ontario” - collaboration with the Mowat Centre - [http://bitly.com/MowatReport](http://bitly.com/MowatReport)

LSO held its inaugural Queen’s Park Day on December 7, 2015. It was tremendously successful. CEOs and senior executives from LSO’s member companies met with elected officials from three political parties and senior government staff; a number of policy documents were created to support these meetings. Throughout the day, member companies shared with government the need for a life sciences strategy. The following day, at the LSO Symposium, the government announced the creation of a working group that would lead the development of a life sciences agenda for Ontario.

LSO also led Ontario’s bid for the 2019 BIO International Convention, demonstrating its broad reach across the province and its collaborative approach by capitalizing on this time-sensitive opportunity. Although the bid was awarded to another city, the effort was successful in showcasing the life sciences talent and resources in the province. The bid included a tour with the selection committee, a networking breakfast with LSO’s member companies, and a BIO bid book. Toronto, Ontario, and the life sciences industry in the province were highlighted to a very receptive selection committee. Only the lack of available convention space in Toronto stood in the way of a successful BIO2019 bid.
The 2015 Annual Awards Gala was LSO’s most well-attended to date, with more than 400 prominent members of the life sciences community joining us for this annual celebration of Ontario’s success, at Toronto’s Liberty Grand.

Guests included politicians, staff, and bureaucrats from both municipal and provincial governments, along with investors and key members of academia and the private sector – among them senior leadership from major pharmaceutical and biotech companies.

Hon. Reza Moridi, Minister of Research and Innovation, and Minister of Training, Colleges and Universities, spoke on behalf of the Province of Ontario; we also welcomed Parliamentary Assistants John Fraser (Health) & Daiene Vernile (Research and Innovation), Mayor of Mississauga, Her Worship Bonnie Crombie, and Deputy Mayor of Toronto, Denzil Minnan-Wong.

Importantly, this gala marked the launch of LSO’s 2015 Sector report, which is the first of its kind to provide crucial data that clearly measure and report on the sector’s benchmarking and its economic contributions: bit.ly/LSOSectorReport.

We are happy to report that the gala, which is LSO’s largest single fundraising event, achieved its financial target to surpass 2014 revenues, thanks to the outstanding efforts of its organizing committee and dedicated staff.
LSO was pleased to once again partner with the Ontario government at the BIO International Convention in Philadelphia. BIO2015 was especially important for us: For the first time, we organized and staffed Ontario’s pavilion, and supported the coordination of Minister Moridi’s meetings and announcements, helping raise the profile of our province, and our members. Here are some of the highlights of LSO’s involvement in BIO2015:

- **Ensured a meaningful and productive convention** for Ontario delegates, with an Industry Kick-off event. Attendees indicated they found it useful, and would attend again.
- **Furthered Ontario’s visibility with key investors**, by organizing an investor’s dinner in collaboration with Lumira Capital, including Minister Moridi and reps from venture capital funds and the corporate venture arms of Johnson and Johnson, Merck, AstraZeneca, and Pfizer.
- **Generated more than 100 investment leads at the LSO booth**, with support from a team led by Sue Munro; our Chairman Paul Lucas; Director of Communications, Elizabeth Monier-Williams; Brian Craig, who coordinated logistics, and our 2014 Volunteer of the Year, Andrew Yoshioka.
- **Strengthened inter-provincial collaboration**, by coordinating an introduction between Minister Moridi and Quebec’s Minister of Health and Social Services, Gaétan Barrette, and emceeing joint announcements at BIOTECanada’s Canadian Rendez-vous, including investments from CQDM with OCE and MaRS Innovation. Ministers Moridi and Barrette made statements in support of this collaboration within the ON/QC life sciences corridor.
- **Helped showcase Ontario’s capacity for innovation**, with an announcement on the Streamlined Research Ethics Review System, from Susan Marlin, President & CEO of Clinical Trials Ontario (an LSO partner) and Dr. Ghislain Boudreau, VP, Public Affairs, Pfizer Canada (an LSO member).
- **Highlighted our collaborative research capabilities**, with an announcement from Chris Halyk, President, Janssen Inc., and Ruth Ross, Director, Centre for Collaborative Drug Research and Chair, Dept. of Pharmacology & Toxicology, University of Toronto, regarding the launch of the Neuroscience Catalyst Consortium, comprised of OCE, U of T, Janssen, Evotec, and MaRS Innovation, to advance treatments for neurological disorders and develop early-stage biotech.
- **Furthered our national agenda for life sciences advocacy**, by attending BIOTECanada’s international reception, co-hosted with Australia and the UK, and meeting with partners from the National Biotech Accord, comprised of the other provincial associations from across Canada.
- **Strengthened LSO’s ties within the GTA and beyond** at the Mayor’s Breakfast with Mississauga Mayor Bonnie Crombie and life sciences stakeholders from the city; accompanied the Minister to the annual Gowling’s BIO Luncheon to further visibility with this global stakeholder.
- **Promoted our province as a future host for BIO**, by facilitating a meeting between Minister Moridi and Scott Whitaker, COO & President of BIO.
Communications

2015 was a turning point for Life Sciences Ontario regarding its communications strategy. In order to educate stakeholders and influence policy, and raise our profile and grow our membership base and sponsorships, we realized there was a need to invest in communications.

And invest we did. In 2015, Elizabeth Monier-Williams came on staff as our contract Communications Director, developing a fulsome communications strategy during her time at LSO that was promptly supported by the Board. Our leadership team also made a strategic investment in a full-time communications position going forward in 2016, in order to bring our resources in line with other organizations of our scope.

In 2015, we also issued our first-in-class Life Sciences Sector Report, which was cited in the Financial Post, earning valuable mainstream media coverage for key messages about the state of life sciences in Ontario.

With regards to social media, statistics illustrate that it continues to be the preferred method of communication for many of our members; again this year we nearly doubled our Twitter followers to 1,500.
Knowledge and Networking Breakfasts

LSO Knowledge and Networking Breakfast meetings provide information about a variety of relevant life sciences topics, while facilitating valuable networking opportunities. Issues affecting the industry are discussed and best practices are presented, providing an opportunity for community members to learn from each other. The meetings are subsidized by a small fee, membership, and sponsorship.

In 2015, LSO hosted 10 meetings, attended by an average of 63 people per event (not including webcast attendees). The committee makes a concerted effort to plan interesting, relevant speakers and topics, and host events at easily-accessible venues; we would like to especially thank Fasken Martineau DuMoulin LLP, who host the majority of the breakfasts. To further accessibility, we continue to webcast the meetings to allow people across the province to be included; we also hold 1-2 meetings outside of the GTA. We will continue to look for areas to expand, collaborate, and connect the life science community across the province.

Sample topics from 2015 included:

- The ABCs of CTO and NRC
- Preparing for the 2015 BIO Convention
- Big Data and Healthcare
- Improving Health, Life and the Economy in Niagara through Innovation and International Collaboration.

We also held two of the popular member marathons, which featured among others: Alcon Canada Inc., Biogen Canada Inc., Celgene Inc., Cipher Biopharmaceuticals, MaRS Innovation, R&D Capital, and Shift Health.
LSO’s Annual Policy Forum, held on December 8, 2015, at MaRS Discovery District, made crucial strides toward a comprehensive growth strategy for Ontario’s Life Sciences sector – one that is urgently needed if we are to emerge as an economic driver for the province, and Canada as a whole. Building on conversations from our inaugural Queen’s Park Day meeting on December 7, the forum culminated in an announcement by Giles Gherson, Deputy Minister, Economic Development, Employment and Infrastructure, of the province’s commitment to creating a public/private life sciences working group. LSO is extremely pleased by the province’s commitment to this initiative, which is a direct result of our advocacy on behalf of our members and the broader life sciences community. The event, attended by 190 core members of Canada’s life sciences community, developed policy recommendations from discussions with key industry leaders, including:

- William Charnetski, Chief Health Innovation Strategist for Ontario
- Chris Halyk, President, Janssen-Ortho
- Neil Fraser, President, Medtronic Canada
- Allan O’Dette, President and CEO, Ontario Chamber of Commerce
- Kuldeep Neote, Senior Director, New Ventures, J&J Innovation
- Elaine Campbell, Member of MaRS Board of Directors and Past President, AstraZeneca Canada
- Chirfi Guindo, President and Managing Director, Merck Canada Inc.
- David Main, President & CEO, Aquinox Pharmaceuticals
- Jason Donville, Donville Kent Asset Management Inc.

As a result, the LSO Policy Forum issued the following recommendations:

- Ensure that the development of a life sciences strategy is viewed primarily through the lens of the commercialization pathway, and made top priority by economic policymakers.
- Create infrastructure that encourages collaboration across regions, and promotes Ontario as a cluster within the context of the Ontario-Quebec life sciences corridor and Canada.
- Make access to capital a priority; develop policy options that will provide a deep and diverse pool of risk capital to support companies along the entire commercialization pathway.
- Consider the perspective of all stakeholders (including public citizens) and focus on company creation and the development of Canadian-sourced capital.
- Within the working group, give consideration to how recommendations will be implemented and who, specifically, will be responsible for translating recommendations into action.
Mentorship

Development and mentoring of young professionals, entrepreneurs, and future leaders within life sciences is a proud tradition of LSO. Beginning in 2009, LSO has been a leader in providing opportunities for professional growth through its Mentoring Program. During National Biotech Week, in 2015, the Mentorship Committee partnered with Ten Thousand Coffees and launched an exclusive LSO hub – a digital platform connecting life sciences experts with novices. This exciting model is the next generation of mentorship: a movement away from the traditional commitment of an ongoing one-on-one relationship, to a focus on sharing advice, gaining insights, and creating opportunities, one conversation at a time.

In the first two months of launch, 73 expert profiles were created, generating 257 views and more than 30 conversations in the platform. Experts represented a variety of sectors (life sciences, pharmaceutical, agricultural, medical, food, biotech, academia) from across Ontario, including Toronto, Ottawa, Hamilton, Mississauga, and London.

Priorities for 2016 will include ongoing communication and promotion of the program across Ontario, and leveraging the platform for more group and business mentorship conversations.
Networking Nights

LSO’s Networking Nights event series provides a forum for LSO members and non-members to build connections with the life sciences community in a social setting. This year, we had more than 1250 registrations for nine events, up from 825 at eight events in 2014.

On average, we had 100-120 confirmed attendees per event, with our most popular event drawing 140 people. One third of attendees represented SME companies; 33% were researchers/students, with the remainder being consultants, lawyers, investors, accelerators, multinationals, and government delegates. These demographics remained fairly consistent at all of the events. Half of the events were held following LSO Board meetings to facilitate interactions between members and the Board.

LSO built on successful 2014 partnerships with Royal Canadian Institute and CIMTEC by co-presenting three of our events in 2015. We also co-hosted two outreach events with the University of Toronto Pharmaceutical Sciences Graduate Students Association, bringing the community on campus to convey the value of LSO to nearly 100 students; they gained perspective in small group discussions with LSO members who had recently transitioned from grad school into a broad variety of industry roles.

LSO acknowledges the volunteers who have helped make the operation of these evenings a smooth, turn-key experience for our attendees and partners. We are grateful to CIMTEC, Ridout & Maybee, Janssen Pharmaceutical Companies of Johnson & Johnson, Sharon Mah-Gin of Executive Search Alliance, and HUB International for financial sponsorships. LSO also appreciates the ongoing partnership with our venue hosts at Marché Brookfield Place, where we hosted the majority of our events.
Once again, the Copper Creek Golf Club in Kleinburg hosted LSO’s Annual Golf Classic. The sold-out tournament provided golfers an opportunity to meet and network with other members of the industry.

The 14th annual tournament featured several challenging contest holes, which included: “Meet and Out Putt the LSO Chairman;” “Straightest Drive,” and “Beat the Pro,” sponsored by City of Toronto, NXL Architects, and Mapi Group, respectively. The “Longest Drive” and “Closest to the Pin” were sponsored by LSO. On the first hole, every golfer had the opportunity to complete a complimentary swing analysis, courtesy of Underpar, and each foursome was asked a skill testing trivia question by our very own trivia master, Matt Buist. The LSO Classic also featured the launch of our new mentorship platform, Ten Thousand Coffees.

Thanks to our sponsors, Sanofi Pasteur, City of Toronto, Rx&D, Ernst & Young LLP and the Town of Richmond Hill, we were able to provide our guests breakfast, beverages, and snacks at the halfway house, a reception, and lunch. Ultima Foods donated their logo yogurt, and Bio Business Magazine sponsored the photographer who captured the day. Generous donations were also received from many organizations for the registration gift bag, prize table, and silent auction; special recognition goes to Copper Creek and Cynapsus. The silent auction proceeds have been donated to Partners in Research, a charity in support of the Sanofi Biogenius Awards.

Our guest speaker this year was Aditya Mohan, the 2015 National Winner of the Sanofi Biogenius competition. Aditya is an eighteen year old high school student from Ottawa, who invented a new cancer treatment in the Ottawa Hospital Research Institute lab.

LSO will continue its strong tradition of hosting the Life Sciences sector’s “must-attend” golf tournament again this year on August 17, 2016, when the 15th Annual Golf Classic returns to Copper Creek. Register now to qualify for one of two Early Bird prizes.
About LSO

Vision: Diversity of Members, Unity of Voice
We envision a vibrant life sciences sector that leads Ontario’s economic growth and job creation while providing solutions to the biggest social challenges facing the province and the world.

Mission
As the voice of Ontario’s life sciences community, our mission is to foster commercial success for the sector through advocacy and education, while promoting the industry locally, nationally, and internationally.

Values
Collaboration
Inclusivity, consultation, and consensus
Unified, aligned voice
Equally, the social and economic benefits of life sciences
Science and evidence-based decisions
Our Sponsors

Platinum

R&D

SANOFI PASTEUR

KPMG

cutting through complexity

TORONTO

Silver

Richmond Hill

EY

Building a better working world
Thank you to the organizations who sponsored events in 2015
LSO would like to thank our Board of Directors, many volunteer members and partners, and the staff at First Stage Enterprises for their many contributions to LSO in 2015

**Executive Committee**
- Matt Buist
- Ed Dybka
- Jason Field
- Rafi Hofstein
- John Kelly
- Jason Locklin
- Paul Lucas

**Gala Committee**
- Jason Locklin (Chair)
- Christine Beyaert
- Matt Buist
- Carol Culhane
- Jason Field
- David Greb
- Bonnie Kuehl
- David Lauzon
- Magda O’Sullivan
- Dale Patterson
- Rhowan Sivel
- Alison Symington
- Sue Munro
- Brian Craig

**Golf Committee**
- John Goudey (Co-Chair)
- Matt Buist (Co-Chair)
- Katelyn Dolan
- Jason Field
- Ron Hosking
- John Kelly
- Bruno Maruzzo
- Louis Parisio
- Tim Peters
- Sue Munro
- Brian Craig

**Policy Forum Committee**
- John Kelly (Chair)
- Matt Buist
- Christine Beyaert
- Seth Chitayat
- Jason Field
- Ella Korets-Smith
- Jason Locklin
- Benjamin Rovinski
- Mark Smithyes
- Sue Munro
- Brian Craig

**Membership Committee**
- Paul Lucas (Chair)
- Jason Field
- Sue Munro
- Doug Rosser
- Brian Craig

**Networking Night Committee**
- Andrew Yoshioka (Chair)
- Nathalie Budd
- Elena Diez Cecilia
- WenJuan Huang
Policy and Government Relations Committee

Jason Locklin (Co-Chair)
Mark Smithyes (Co-Chair)
David Allan
Christine Beyaert
Shanna Brisebois
Ellen Chin
Seth Chitayat
Jason Field
Jeff Graham
Rafi Hofstein
Pamela Kanellis
Janet Northan
Derek O’Toole
Kimberly Robinson
Alison Symington
Bernard West
Sue Munro
Brian Craig

Mentorship Committee

Jill Osborne (Co-Chair)
Pat van Gelder (Co-Chair)
Andrew Boston
Doreen D’Souza
Jason Field
Isabelle Henderson
Richard Narayansingh
Magda O’Sullivan
Etna Rodriguez
Jas Saggar
Rajeev Sharma
Irina Voronin
Sue Munro
Brian Craig

Communications Committee

Janet Northan (Chair)
Christine Beyaert
Jason Field
David Greb
Ella Korets-Smith
Jonathan Madriaga
Elizabeth Monier-Williams
Mark Penner
Sue Munro
Brian Craig

Queen’s Park Day Committee

Shanna Brisebois (Co-Chair)
Jon Feairs (Co-Chair)
Christine Beyaert
Ellen Chin
Seth Chitayat
Jason Field
Katherine Lal
Jason Locklin
Susan MacLean
Mark Smithyes
Sue Munro
Brian Craig

Breakfast Committee

Alison Symington (Chair)
Jason Field
Tracy Hooey
Sue Munro
Brian Craig
INDEX

Page  1. Independent Auditors’ Report
      2. Statement of Financial Position
      4. Statement of Cash Flows
      5 - 7. Notes to Financial Statements
      8. Schedule of Revenues and Expenses
INDEPENDENT AUDITORS’ REPORT

To the Members and Board of Directors
Life Sciences Ontario
TORONTO
Ontario

Report on the Financial Statements:
We have audited the accompanying financial statements of Life Sciences Ontario which comprise the statement of financial position as at December 31, 2015 and the statements of operations and changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements:
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility:
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:
In our opinion, these financial statements present fairly, in all material respects, the financial position of Life Sciences Ontario as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Norton McMullen LLP
Chartered Professional Accountants, Licensed Public Accountants

Markham, Canada
February 10, 2016
# LIFE SCIENCES ONTARIO

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2015 2014

## ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$154,776</td>
<td>$131,713</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>45,071</td>
<td>21,493</td>
</tr>
<tr>
<td>HST receivable</td>
<td>36,126</td>
<td>40,741</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>28,859</td>
<td>30,815</td>
</tr>
<tr>
<td><strong>Total Current</strong></td>
<td>$264,832</td>
<td>$224,762</td>
</tr>
<tr>
<td><strong>Capital Assets (Note 2)</strong></td>
<td>1,596</td>
<td>2,280</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$266,428</td>
<td>$227,042</td>
</tr>
</tbody>
</table>

## LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$66,690</td>
<td>$38,070</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>51,996</td>
<td>84,217</td>
</tr>
<tr>
<td><strong>Total Current</strong></td>
<td>$118,686</td>
<td>$122,287</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>147,742</td>
<td>104,755</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$266,428</td>
<td>$227,042</td>
</tr>
</tbody>
</table>

Approved by the Board:

______________________________  Director

______________________________  Director

*See accompanying notes*
LIFE SCIENCES ONTARIO

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special events and meetings (Page 8)</td>
<td>$280,409</td>
<td>$262,070</td>
</tr>
<tr>
<td>Membership and general sponsorship</td>
<td>$220,634</td>
<td>$207,794</td>
</tr>
<tr>
<td>Government project funding (Note 3)</td>
<td>$64,555</td>
<td>$7,410</td>
</tr>
<tr>
<td>Special projects (Note 4)</td>
<td>$25,788</td>
<td>$16,677</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$591,386</td>
<td>$493,951</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office, general and projects</td>
<td>$321,307</td>
<td>$296,605</td>
</tr>
<tr>
<td>Special events and meetings (Page 8)</td>
<td>$150,211</td>
<td>$147,848</td>
</tr>
<tr>
<td>Communications</td>
<td>$57,653</td>
<td>$10,079</td>
</tr>
<tr>
<td>Bank charges</td>
<td>$11,654</td>
<td>$8,061</td>
</tr>
<tr>
<td>Industry associations</td>
<td>$6,890</td>
<td>$8,990</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$684</td>
<td>$677</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$548,399</td>
<td>$472,260</td>
</tr>
<tr>
<td><strong>Excess of Revenues Over Expenses</strong></td>
<td>$42,987</td>
<td>$21,691</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Beginning</td>
<td>104,755</td>
<td>83,064</td>
</tr>
<tr>
<td>- Ending</td>
<td>$147,742</td>
<td>$104,755</td>
</tr>
</tbody>
</table>

See accompanying notes
LIFE SCIENCES ONTARIO

STATEMENT OF CASH FLOWS

For the year ended December 31, 2015 2014

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess of revenues over expenses $ 42,987 $ 21,691
Items not affecting cash:
Depreciation 684 677

$ 43,671 $ 22,368

Net change in non-cash working capital balances:
Accounts receivable (23,578) 13,749
HST receivable 4,615 10,732
Prepaid expenses 1,956 (28,401)
Accounts payable and accrued liabilities 28,620 (20,182)
Deferred revenue (32,221) 75,743

$ 23,063 $ 74,009

INVESTING ACTIVITIES

Purchases of capital assets $ - $ (1,400)

INCREASE IN CASH AND CASH EQUIVALENTS $ 23,063 $ 72,609

CASH AND CASH EQUIVALENTS - Beginning 131,713 59,104

CASH AND CASH EQUIVALENTS - Ending $ 154,776 $ 131,713

See accompanying notes
NATURE OF OPERATIONS

Life Sciences Ontario (the "Organization") was incorporated on December 13, 1989 under the provisions of the Canada Corporations Act and commenced operations shortly thereafter. The Organization is a not-for-profit corporation and is therefore exempt from income taxes.

The Organization represents and promotes Ontario’s vibrant and diverse life sciences sector. The Organization collaborates with governments, academia, industry and other life science organizations in Ontario, across Canada, and globally to promote and encourage commercial success throughout this diverse sector.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used.

b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in a bank account only.

c) Capital Assets

Capital assets are recorded at cost. Amortization is being provided over the estimated useful life of the asset using the following rates and methods:

<table>
<thead>
<tr>
<th>Rate</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>declining balance</td>
</tr>
</tbody>
</table>

d) Revenue Recognition - Deferral Method

Special project revenue consists of funding to undertake specific projects. Special projects revenue is recognized as expenses are incurred. Membership fees, sponsorships, special events and meetings and government support are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Membership fees received pertaining to the subsequent period are deferred and recognized as revenue in the appropriate period.
1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

   e) **Financial Instruments**

   **Measurement of Financial Instruments**
   The Organization initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost.

   Financial assets measured at amortized cost include cash and cash equivalents, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

   The Organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

   **Impairment**
   Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess or deficiency of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversals is the same as if there had been no write-down. There are no impairment indicators in the current year.

2. **CAPITAL ASSETS**

   Capital assets consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accumulated Amortization</td>
<td>Net Book Value</td>
</tr>
<tr>
<td>Cost</td>
<td>$4,232</td>
<td>$2,636</td>
</tr>
<tr>
<td>Computer</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. **GOVERNMENT PROJECT FUNDING**

   During the year, the Organization received project funding from the Province of Ontario to represent Ontario’s life sciences sector at the BIO2015 International Convention. The costs incurred for this project are included in office, general and project expense.
4. SPECIAL PROJECTS

Special projects undertaken by the Organization including adhoc events, projects and reports are described in the LSO Annual Report. Member discount programs with partners are also included as Special projects.

<table>
<thead>
<tr>
<th>Special Project</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Queen's Park Day</td>
<td>$11,000</td>
<td>$ -</td>
</tr>
<tr>
<td>BIO Proposal Bid</td>
<td>$10,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Benefits Sharing Programs</td>
<td>$4,638</td>
<td>$3,381</td>
</tr>
<tr>
<td>Other</td>
<td>$150</td>
<td>$297</td>
</tr>
<tr>
<td>Reports &amp; Advocacy</td>
<td>$ -</td>
<td>$10,000</td>
</tr>
<tr>
<td>Ontario/Quebec Life Sciences Corridor Project</td>
<td>$ -</td>
<td>$3,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$25,788</strong></td>
<td><strong>$16,677</strong></td>
</tr>
</tbody>
</table>

5. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the Organization’s exposure to and concentrations of risk at December 31, 2015:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause loss for the other party by failing to discharge an obligation. The Organization’s main credit risks relate to its accounts receivable. The Organization provides credit to its members and clients in the normal course of operations. There were no concentrations of credit risk as at December 31, 2015. Actual exposure to credit losses has been minimal in prior years. There is no allowance for doubtful accounts. There has been no change in the assessment of credit risk from the prior year.

b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The Organization expects to meet its obligations by managing its working capital and by generating sufficient cash flows from operations. There has been no change in the assessment of liquidity risk from the prior year.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Organization is not exposed to these types of market risk.
### LIFE SCIENCES ONTARIO

**SCHEDULE OF REVENUES AND EXPENSES**

For the year ended December 31, 2015 | 2014

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SPECIAL EVENTS AND MEETINGS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual awards gala</td>
<td>$137,613</td>
<td>$133,275</td>
</tr>
<tr>
<td>Golf tournament</td>
<td>66,260</td>
<td>68,460</td>
</tr>
<tr>
<td>Fall event</td>
<td>57,144</td>
<td>41,220</td>
</tr>
<tr>
<td>Silent auctions</td>
<td>8,802</td>
<td>6,579</td>
</tr>
<tr>
<td>Breakfast meetings</td>
<td>6,130</td>
<td>7,045</td>
</tr>
<tr>
<td>Networking nights and mentorship</td>
<td>4,460</td>
<td>5,491</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$280,409</strong></td>
<td><strong>$262,070</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SPECIAL EVENTS AND MEETINGS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual awards gala</td>
<td>$68,585</td>
<td>$66,288</td>
</tr>
<tr>
<td>Golf tournament</td>
<td>35,555</td>
<td>40,189</td>
</tr>
<tr>
<td>Fall event</td>
<td>23,211</td>
<td>22,033</td>
</tr>
<tr>
<td>Education awards and programs</td>
<td>13,802</td>
<td>8,409</td>
</tr>
<tr>
<td>Networking nights and mentorship</td>
<td>4,815</td>
<td>6,062</td>
</tr>
<tr>
<td>Breakfast meetings</td>
<td>4,243</td>
<td>4,867</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$150,211</strong></td>
<td><strong>$147,848</strong></td>
</tr>
</tbody>
</table>

**EXCESS OF SPECIAL EVENTS AND MEETINGS REVENUES OVER EXPENSES**

$130,198 | $114,222

See accompanying notes
To become a member or for information about LSO’s activities, please contact:

LSO Office
109-1 Concorde Gate
Toronto, ON M3C 3N6
P: 416-426-7293
F: 416-426-7280
admin@lifesciencesontario.ca

www.lifesciencesontario.ca
@LifeSciencesON