Evolving a Novel Approach to Life Sciences Commercialization

CPRIT Conference, November 2017
TMC Key Stats

10M
Patient Encounters Each Year

5.9 x
5.9 x Massachusetts General Hospital

8.3 x
8.3 x Stanford University

TMC

58 Institutions

106,000 Employees

5,700 Researchers

Over $1B per Year in Basic Research

1,300 Active Grants

4,000 Active Clinical Trials

2016 NIH Research Funding

Stanford University
$195M

Massachusetts General Hospital
$365M

Harvard Medical School
$427M

TMC
$600M
The Challenge?

Over $1B in basic research funding a year … but inadequate commercialization.

Over 8,000 early-career scientists and engineers … but lack critical mass of entrepreneurs.

What We Do

Build successful life sciences startups

Help catalyze life sciences ecosystem.
Our Approach

We bridge the gap between academic research and clinical proof of concept.

How?

• We in-license and internally develop assets/technologies.
• We drive early R&D through clinical proof of concept.
• We partner or spin-out an asset when ready.
The Studio – In a Nutshell

An integrated approach to life sciences and human capital development

- Experienced Management Team
- Early Project Funding
- Non-Dilutive and Investor Capital
- Internship & Fellowship Programs
- Infrastructure & Resources
How The Studio Works

MANAGEMENT
- Fannin Management Team
- Transitional Management Team
- Stand-alone Management Team

SCIENTIFIC LEADERSHIP
- Founding Scientists
- Founding Scientists, External Experts

ACTIVITIES AND GOALS
- License Assets or Technology from Institution
- De-Risk Asset, Establish Clinical Proof of Concept

CAPITAL
- Fannin and Grant Funding
- Grant or Angel Funding
- Strategic or Venture Funding
Funding Support and Recognition

Funding

- 20 SBIR/STTR Grants Awarded
- $10.3M Total SBIR/STTR Funding Awarded
- $10.6M Additional Non-SBIR/STTR Grant Funding
- $30M Total Investor Dollars Raised Across Technologies

Fannin Model Discussed in Press:
- “Top of Texas 2016“ - Xconomy
- “Building An Entrepreneurial Health Sciences Ecosystem From The Ground Up” - Life Science Leader
- “Building the Next Generation of CEOs: Houston’s Fannin Names Fellows” - Xconomy
- “Startup studio overcoming an entrepreneur shortage” Houston Chronicle
Active Programs

- 35 Technologies Licensed Since Inception
- Eleven Institutions Across Texas
- Sixteen Active Programs
- Nine Oncology Programs
- Two CPRIT funded
2007-2008
✓ Company founded; MD Anderson / TX A&M technology
✓ $2.3M UO1 Grant Award

2009-2010
✓ $1M Texas Emerging Technology Fund Award
✓ Preclinical proof of concept studies
✓ Lead molecule (PUL-042) identified
✓ $7.1M CPRIT grant (tranched through Phase 2)

2011-2012
✓ $1.5M Phase II SBIR Grant
✓ $600K third party angel investment
✓ $200K Phase I SBIR Grant

2013-2015
✓ $230K Phase I SBIR Grant
✓ $1M Phase 2 SBIR Grant
✓ $2M Phase 2 SBIR Grant
✓ $500K private placement
✓ IND enabling GLP Tox Studies
✓ FDA IND and Phase I Clinical Study

2016-2017
✓ $3M Phase IIB SBIR Grant
✓ $2.1M Series A Investment
✓ Second FDA IND (antiviral division)
✓ Completed 2 Phase I clinical trials in healthy patients
✓ Initiated Phase IB clinical trial in cancer patients
✓ Assembled world-class Scientific Advisory Board
✓ Expanded Management Team
✓ Filed for orphan drug status

2016-2017
4 Years
from lead molecule to completed Phase 1 Clinical Trial

Completed Phase 1 after ~$1M in investor capital + $18M+ institutional/grant funds

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Core Fannin Team and Portfolio Leadership

Our Core Team

Ben Hertzog, PhD
President & CEO

Jason Heuring, PhD
COO

Nestor Molfino, MD, MSc, FCCP
CEO

Brenton Scott
PhD, MBA
Co-founder & CSO

Team Attributes:

- Experience in drug and device development
- Medical/scientific/engineering background
- Interest in life sciences entrepreneurship
- Business/project management experience
- Strong history of leadership
<table>
<thead>
<tr>
<th>Name</th>
<th>Title and Institutions</th>
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<tbody>
<tr>
<td>Roberto Adachi, MD</td>
<td>Assoc. Professor Pulmonary Medicine MD Anderson Cancer Center</td>
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<td>Naoto Ueno, MD, PhD</td>
<td>Professor Grad School of Bioscience MD Anderson Cancer Center</td>
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Our Internship Program

• Leverages >8,000 early-career scientists and engineers with limited entrepreneurship opportunities/experience

• Provides experiential learning through hands-on development with life sciences startups

140 interns to date, and counting!
Contact Us

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