



Senator John Cornyn (R-Texas) and his wife Sandy toured the Fannin Studio in May and heard about the many programs between Fannin and U.S. Government agencies.

Fannin Garneres Additional Grant Funding of \$1 Million to Support Development

Joining the S&P 500 and the Astros, the Fannin grants team enjoyed positive momentum in the months of May/June, with the portfolio receiving a whopping total of four Notice of Award announcements representing \$1 million in total development funding, with a fifth award expected in the Fall.

“The award notices just began to roll in,” said Grants Manager Tiffanie Johnson. “Getting one or two of these would be the norm, but to get four is really exciting.”

The awards, all from National Institutes of Health (NIH) Small Business Innovation Research (SBIR) program, were:

- Exotect for lung disease research, collaborating with MD Anderson for \$224,725
- rHDL focusing on delivering therapeutic siRNA to cancer cells, collaborating with UNT Health and M.D. Anderson for \$324,593
- Atrapos for atopic dermatitis, collaborating with Baylor College of Medicine for \$226,431
- Pediatric Devices for a ureteral stent removal device, collaborating with TCH, Rice and Baylor College of Medicine for \$224,942

NIH has three major grant submission cycles - January, April, and September. The awards were the result of twelve submissions from September 2016 to January 2017 which generated scores ranging from 20 to 34. In the April cycle, Fannin submitted a record nine grant requests, most of which were first time, new research ideas, which are the hardest to win. Six were discussed and received scores.

Fannin’s Pediatric Devices collaboration with Baylor and Rice focusing on a placental anchor device, received an impact score of 17, a very strong number for a first submission. Fannin is looking forward to receiving that formal notice of award for \$224,643 next month.

Fannin submits grants to agencies throughout the year ranging from \$250,000 - \$3,000,000 to support research for up to five years. It generally takes up to nine months to find out if a grant was scored, to learn the impact scores, and to get reviewer comments. Lower scores – like a golf score – are better and are more likely to be funded. Scores in the low 20s are very strong, while scores in the low 30s are “on the bubble”, and funding may depend on the strength of competing proposals and the budget.

FANNIN FALL PORTFOLIO EXHIBITION

3900 Essex Lane,
Suite 575

Houston, TX 77027

UPCOMING INDUSTRY EVENTS OF NOTE

**Texas Life Science Forum, Rice BRC,
November 7-9, 2017**

Who goes? >> Atul and other Studio members will join the local biotech community, with investors and consultants

What do you learn? >> Latest on local and Texas developments in biotech

LIFE SCIENCE INVESTING/ EARLY STAGE RESOURCES



houstonangelnetwork.org

The Houston Angel Network is the oldest in Texas and one of the most active investor groups in the U.S.



stationhouston.com

Station Houston is the area’s newest tech startup hub and co-location space, located downtown.

FEATURED FANNIN TEAM MEMBER

CARRIE MCALLISTER, PHD



AS AN ENTREPRENEURSHIP FELLOW, Carrie serves as the product development manager for Fannin's portfolio company BreviTest Technologies; she also directs Fannin's highly successful internship program. Carrie earned her PhD in Neuroscience from the University of Kansas in 2013. Originally from Phoenix, she quickly grew tired of the cold Kansas winters and so jumped at the chance to move to Galveston for a two-year postdoctoral fellowship at UTMB's Center for Addiction Research,

where she led a neurotherapeutics program to develop novel small molecules for the treatment of substance use disorders. In her free time, Carrie is pursuing her goal of running a half marathon in all 50 states (8 down, 42 to go) and serves as a high-climbing crew member on the historic tall ship Elissa in Galveston.



AN ACCENTURE/GHP report and a Mayoral Task Force chaired by Station Houston's John Reale propose steps to address Houston's weak showing in national rankings of VC-backed entrepreneurship. While the reports focus on the tech sector and the lack of institutionally-backed start-ups, discussion of progress in the life sciences is presented, and Procyron and Pulmotect are mentioned. Suggested solutions to improve the ecosystem include a concentrated entrepreneurship zone/center, a fund-of-funds with targeted co-investment, and a founder's visa program. Chicago and Cincinnati were cited as examples where government and civic action encouraged progress.

VIRACYTE, a Houston-based biotech developing cellular immunotherapies for infections, won a \$3.0 million SBIR award from the NIH's National Heart, Lung and Blood Institute (NHLBI) and a \$0.75 million Orphan Products Clinical Trials Grant by the FDA. The grants will fund the BCM spinout's development programs focused on both BK virus and adenovirus infections. ViraCyte is led by Dr. Brett Girior, ex-CEO of the Texas A&M Health Science Center, who is currently a nominee to be the Asst. Sec'y for Health for the Department of Health and Human Services.

ARAVIVE BIOLOGICS announced the appointment of Stephen Eck, MD as President and CEO. Eck was formerly VP of Oncology at Astellas. Aravive (formerly Ruga Corp) was the recipient of a \$20 million CPRIT award in 2016 to commercialize Aravive-S6, a potential treatment for AML and certain solid tumors. With the CPRIT grant, Aravive moved to Houston from California last year. Prior to Astellas, Eck was VP at Lilly and an executive with Pfizer, and he currently serves on the board of Austin-based Luminex Corp.

ANGELMD received a positive profile in Xconomy covering the Seattle-based company's new office and programs at TMCx. Locally led by start-up veteran Dan Parsley, AngelMD is focusing on developing both physician-investors and family offices who have an interest in the early-stage life science space. The online platform has 4,200 members (half are physicians), and a roster of 850 opportunities. They have organized 14 syndicates, investing in 11 companies so far.

OTHER LOCAL COMPANIES reporting capital raises include PLx Pharma's \$18.2 million public offering and Saranas, as new CEO Zaffer Syed closed on a \$4 million Series B with an assist by AngelMD.

FANNIN STUDIO UPDATES

- **PULMOTECT** – Attended BIO 2017 in June to meet with potential investors in a Series B, launching overall fundraising efforts. Discussions ongoing with Canadian authorities for dose-finding trial in smokers to show proof of concept in humans. Indications of prevention/treatment of pneumonia in cancer patients and treatment of severe hospitalized influenza seen as needing government-funded support for development. Started further analysis of PUL-042 variant formulations with a goal of creating improvements on the existing drug.
- **PROCYRION** - Has officially commenced Series C fundraising and has been busy preparing for its next clinical trial, which will evaluate the Aortix device in diuretic resistant acutely decompensated heart failure (ADHF). The team recently returned from Australia, where they visited potential sites for the ADHF pilot trial, which is expected to begin enrollment in 2018.
- **RHDL THERAPEUTICS** - Was awarded a \$324,593 Phase I SBIR grant from the National Center for Advancing Translational Sciences (NCATS) of the National Institute of Health (NIH) to develop lipid-based nanoparticles as a therapeutic siRNA delivery platform for cancer treatment. This technology was originally developed by Dr. Andras Lacko at The University of North Texas Health Science Center and Dr. Anil Sood at The University of Texas MD Anderson Cancer Center.
- **GUIDABOT** - Won First Place elevator pitch at the Texas A&M New Ventures Competition in May. GuidaBot was also accepted into the latest medical device cohort of TMCx, an accelerator program based in Houston. This 3-month program, which started in August, provides startups shared workspace, curriculum tailored to the needs of healthcare entrepreneurs, and direct access to over 120 advisors in the industry.