

**ChorioAnchor**

Fannin Awarded \$2,000,000 NIH Grant For Continued Development of Fetal Surgery Device

Houston, TX (November 5, 2019) Fannin Innovation Studio announces its receipt of a \$2,000,000 Phase II Small Business Innovation Research (SBIR) grant from the National Institute of Health (NIH) Eunice Kennedy Shriver National Institute of Child Health & Human Development (NICHD) for development of its ChorioAnchor device, in partnership with Texas Children's Hospital, Baylor College of Medicine (BCM), and Texas A&M University (TAMU).

The ChorioAnchor device is designed to assist maternal-fetal surgeons in reducing the risk of preterm birth and infections commonly associated with fetal surgery. Each year, more than 120,000 babies are born with a fetal defect, of which 50,000 could potentially be repaired prenatally. These defects affect quality of life and require hospital stays that cost the healthcare system an estimated \$23 billion per year. The landmark MOMS trial in 2011 demonstrated the benefit of fetal surgery for spina bifida patients and its potential application to patients with other conditions.

The ChorioAnchor program is part of the Innovation Partnership for Pediatric Products (IP3), a unique three-way partnership between Texas Children's/BCM, TAMU, and Fannin, for the development of novel pediatric devices. Maternal-fetal surgeons at Texas Children's/BCM, Drs. Jimmy Espinoza and Michael Belfort recognized the unmet need and conceived of the approach. A senior design team and graduate students at TAMU developed and iterated on early prototypes under the direction of Dr. Balakrishna Haridas. Fannin led the program development and funding, including a successful Phase I SBIR grant in 2017, followed by the recent Phase II award.

Although the discipline of fetal surgery is relatively new, significant collaborative efforts and resources have been invested in identifying fetal conditions that could potentially benefit from fetal interventions. However, these efforts are hindered by the risks associated with these interventions, including preterm premature rupture of membranes (PPROM) and premature delivery. The most frequent complication of any fetal surgery is PPRM, which can lead to premature delivery, adding the complications associated with preterm birth to the congenital problem the baby already has.

“The ChorioAnchor has the potential to reduce these complications by providing mechanical support to the chorioamniotic membranes following fetal surgery, thus reducing the risk for chorioamniotic separation and PPRM,” said Dr. Espinoza. “The additional support from the NICHD in the form of a Phase II SBIR grant will significantly help in refining the ChorioAnchor device with the objective of obtaining an investigational device exemption (IDE) from the FDA to evaluate the efficacy and safety of the device in fetal surgeries.”

Fetal surgery is rapidly growing but remains a small field with few procedures. Fannin plans to apply for Humanitarian Device Exemption (HDE) from the FDA since there are currently less than 8,000 fetal surgeries performed per year. By reducing complications, ChorioAnchor will help expand the range of congenital anomalies and conditions that are potentially treatable by fetal surgery.

“We are honored to be working with a team that has sincere dedication to improve fetal healthcare,” said Dr. Duncan Maitland, the lead collaborator from Texas A&M University.

“We are excited by this technology’s promise to make life-saving fetal surgery available to many more patients,” said Dr. Atul Varadhachary, Principal Investigator on the grant and Managing Director at Fannin Innovation Studio. “The unique IP3 collaboration allows us to develop novel pediatric devices, like the ChorioAnchor, that address major unmet needs but are commercially unattractive to traditional device investors due to the small market size.”

Fannin and its IP3 partners will execute the Phase II SBIR grant over the next two years, to develop a finalized device for pre-clinical and clinical testing. If successful, this device will have a significant impact on the field of fetal surgery.

About Fannin Innovation Studio

Houston-based Fannin Innovation Studio is an early-stage life sciences development group focused exclusively on commercializing biotech and medtech technologies. Fannin partners with life science innovators to create startup companies, providing management, funding, and business development. To further bridge the commercialization gap, Fannin’s fellowship and internship programs provide aspiring entrepreneurs with hands-on development experience with its portfolio companies. For more information, visit www.FanninInnovation.com, come by the Studio at 3900 Essex Lane -- Suite 575 in Houston, or email us at innovate@fannininnovation.com.

About Innovation Partnership for Pediatric Products

The Innovation Partnership for Pediatric Products (IP3) is an agreement between Fannin Innovation Studio, Texas Children’s Hospital (TCH), and Baylor College of Medicine (BCM) with the primary goal of creating and

commercializing medical devices specifically designed for children. Since pediatric markets are small, it can be commercially unattractive to develop medical devices specifically for pediatric indications. IP3 addresses this problem by creating a mechanism to de-risk the earliest stages of pediatric device development and enable the commercialization of pediatric medical devices. IP3 provides an interesting example of Fannin's ability to pursue opportunities that may not be accessible through traditional VC-funded medical device startups due to the Studio's capital-efficiency and Fannin's close relationships with institutions in Houston's medical center, including TCH and BCM.

About Texas Children's Hospital

Texas Children's Hospital, a not-for-profit health care organization, is committed to creating a healthier future for children and women throughout the global community by leading in patient care, education, and research. Consistently ranked as the best children's hospital in Texas, and among the top in the nation, Texas Children's has garnered widespread recognition for its expertise and breakthroughs in pediatric and women's health. The hospital includes the Jan and Dan Duncan Neurological Research Institute; the Feigin Tower for pediatric research; Texas Children's Pavilion for Women, a comprehensive obstetrics/gynecology facility focusing on high-risk births; Texas Children's Hospital West Campus, a community hospital in suburban West Houston; and Texas Children's Hospital The Woodlands, the first hospital devoted to children's care for communities north of Houston. The organization also created Texas Children's Health Plan, the nation's first HMO for children; has the largest pediatric primary care network in the country, Texas Children's Pediatrics; Texas Children's Urgent Care clinics that specialize in after-hours care tailored specifically for children; and a global health program that's channeling care to children and women all over the world. Texas Children's Hospital is affiliated with Baylor College of Medicine. For more information, go to www.texaschildrens.org. Get the latest news by visiting the online newsroom and Twitter at twitter.com/texaschildrens.

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