



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

2023 Report from the Product Development Advisory Committee

Andrew Strong and
Michele Park



PDAC Presenters



Andrew Strong

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Andrew is an experienced and trusted advisor and counsel to public and private life sciences, pharmaceutical, and emerging technology global clients on matters involving corporate formation, public and private financing, M&A, cross-border licensing and joint ventures, employment and executive compensation and intellectual property.

Andrew previously served as the general counsel and compliance officer for the Texas A&M University System where he was responsible for, among other things, technology commercialization, business contracting, litigation and Board governance for the system's universities and state agencies.

He has experience starting up and selling a successful biotech company that has grown to 900+ employees, has served and presently serves as the general counsel for several private and publicly traded drug development biotech clients and has served as a board member and in leadership positions for NYSE, Nasdaq, and private corporations.

Education

J.D., South Texas
College of Law, 1994
B.S., Civil Engineering,
Texas A&M University,
1989



Michele Park

Partner, Menlo Park
New Enterprise Associates (NEA)
mpark@nea.com

Michele joined NEA in 2021 as an investor on the healthcare team focused on the biopharma space. Prior to NEA, Michele was an investor at life sciences-focused venture capital firm, Clarus Ventures (now Blackstone Life Sciences), where she led the initiative to launch the Clarus Cancer Fund—a novel investment model designed to generate returns and fuel cancer research through donation. Before Clarus, she spent time in biotechnology research analyst roles at Credit Suisse and Piper Jaffray.

Michele received her Ph.D. in Molecular Biology from Weill Cornell Graduate School of Medical Sciences and completed her dissertation at Memorial Sloan-Kettering Cancer Center. She also holds a B.A. in Molecular Biology from Princeton University. Park serves as Co-Chair of the Cancer Prevention and Research Institute of Texas (CPRIT) Product Development Advisory Committee; Board Trustee for the American Friends of the Royal Philharmonic Orchestra (AFRPO); and is a member of the Council of Korean Americans (CKA) and Private Equity Women Investor Network.

Education

Ph.D., Molecular
Biology, Weill Cornell
Graduate School of
Medicine
B.A., Molecular Biology,
Princeton University



Product Development Advisory Committee (PDAC)

Co-Chair Michele Park, PhD, Partner, NEA

Co-Chair Andrew Strong, JD, Partner, Hogan Lovells, LLP*

David Arthur, CEO, Salarius Pharmaceuticals*

Bruce Butler, PhD, VP, Research and Technology, Director, OTM, UTHSC at Houston

Julie Goonewardene, AVP for Innovation and Strategic Investment, UT System

Gabby Everett, PhD, Site Director, BioLabs Pegasus Park

Victoria Ford, President and CEO, Texas Healthcare & Bioscience Institute

Greg Hartman, COO and SVP for Strategic Partnerships, Texas A&M University, Vice Chancellor at TAMU System

Heather Hanson, President, BioMedSA

Dan Hargrove, JD, Co-founder and President, Trauma Insight, LLC and Cancer Insight, LLC

Paul Lammers, MD, CEO, Triumvira Immunologics, Inc.*

David Lowe, PhD, Co-Founder, Aeglea Biotherapeutics; MDir, AllosteRx Capital*

Tom Luby, PhD, Director, Texas Medical Center (TMC) Innovation

Jonathan MacQuitty, PhD, Venture Partner, Lightspeed Venture Partners

Dennis McWilliams, Venture Partner, Sante Ventures*

Jon Mogford, PhD, COO and SVP, Texas A&M University Health Science Center

Tracy Saxton, PhD, CEO, Lengo Therapeutics; Adviser, Frazier Healthcare Partners

Emma Schwartz, President, Medical Center of the Americas Foundation

Greg Stein, MD, CEO, Curtana Pharmaceuticals*

Ann Tanabe, CEO, BioHouston, Inc.

Claire Aldridge, PhD, Chief of Staff and SVP, Business Operations, Taysha Gene Therapies

Harry Bushong, Convergence Ventures





Market Conditions

Michele Park





PDAC Report
Andrew Strong



Review - EVERY YEAR Recommendations

Recommendation #1:

Increase the # of Product Development awards made annually, with goal to allocate ~30% of annual CPRIT budget to Product Development Research (\$70+ million/year)

- MISSION ACCOMPLISHED

Recommendation #2:

Implement New Funding Opportunities/RFAs, with a focus on starting up/spinning out NewCos and regional or cross platform acceleration programs

- MISSION ACCOMPLISHED



How was the Mission Accomplished?

Increase # of Awards and deploy full PD Budget

FY	# of Cycles	# of Apps	# of Awards Approved	FY Funding Rate	Running Funding Rate	Total Award Amount Approved
2010	1	25	4	16%	16%	\$21,523,951
2011	2	18	1	5.6%	11.6%	\$5,680,310
2012	3	78	6	7.7%	9.1%	\$65,444,537
2013	3	49	5	10.2%	9.4%	\$49,157,565
2014	1	41	4	9.8%	9.5%	\$59,579,105
2015	4	43	7	16.3%	10.6%	\$77,072,632
2016	2	57	4	7.0%	10.0%	\$58,896,837
2017	2	39	1	2.6%	9.1%	\$8,998,067
2018	2	38	3	7.9%	9.0%	\$50,587,540
2019	2	65	8	12.5%	9.5%	\$51,183,034
2020	2	68	7	10.4%	9.6%	\$47,649,610
2021	1	35	2	5.7%	9.4%	\$27,565,207
2022		47	12	25.5%	10.6%	\$87,021,483
Total	27	603	62		10.6%	\$610,359,878



How was the Mission Accomplished?

Texas Therapeutic Company (TTC) Award

- Early-stage companies focused on research and development of innovative therapeutic products, services, and infrastructure
- Award: uncapped \$ amount; 3 years

Texas Device/Diagnostic Company (TDDC) Award

- Early-stage companies focused on research and development of diagnostic tests and devices to treat, detect, diagnose, monitor, and assist in the treatment of cancer.
- Award: uncapped \$ amount; 3 years

Texas New Technologies Company (TNTC) Award

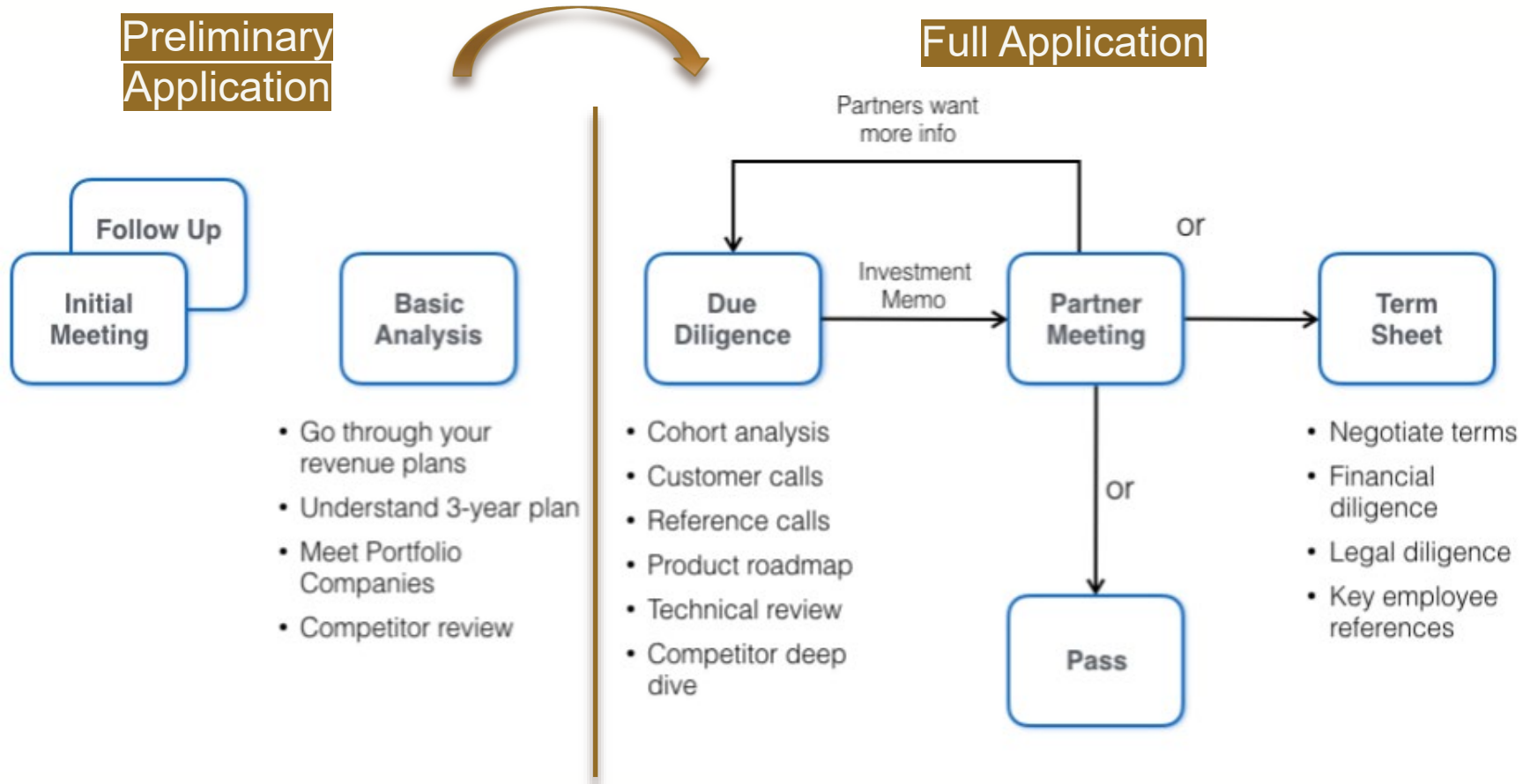
- Early-stage companies focused on research and development of research and development of new and emerging technologies for the detection, diagnosis, prognosis, monitoring, or treatment of cancer.
- Award: uncapped \$ amount; 3 years

Seed (SEED) Award

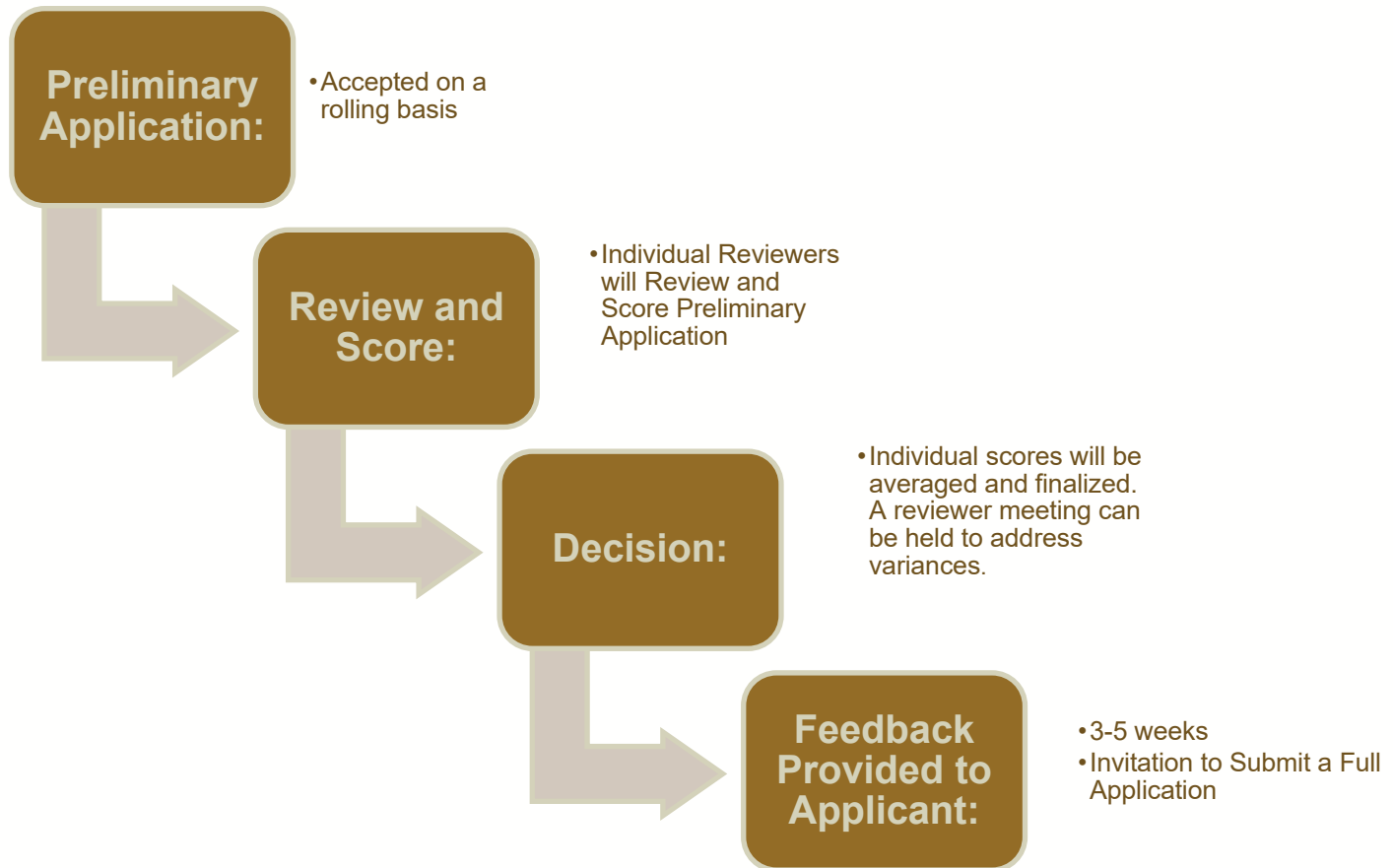
- Startup companies; already based in Texas or willing to relocate to Texas focused on research and development of innovative products, services, and infrastructure with significant potential impact on cancer patient care.
- Award: Up to \$3 million; 3 years



Typical Venture Investment Process



Preliminary Application Process



Full Application Process

- **Submission of Full Application**
 - By November 1, 2022, 14 submitted, accepted 10 (4 in time but not considered)
- **In-Person Presentation**
 - November cohort – 10 presented with more time and each applicant given extra time to present
- **Focused Due Diligence Review**
 - November cohort – 6 advanced to diligence, process was streamlined
- **PDRC Recommendation**
 - November cohort – 6 recommended for funding but amount asked exceeded amount available; notified that decision would be carried to May 2023 OC Meeting
- **PIC Review/Approval**
- **Oversight Committee Review/Approval**



Looking Forward

CPRIT has delivered on its promise to streamline the application process and, so far, is fully awarding the monies allocated for Product Development. But, with anything new, challenges are emerging

- Available 2023 award monies was reduced by the carry over of a \$16 million award from 2022
- The cap of full applications accepted for the November 2022 cycle was unexpected and left 4 applicants who timely submitted unable to advance (first thinking February and then told next fiscal year)
- Now, there is a “race to submit” mentality with 27 preliminary applications submitted in the first 10 days of May and the PD program is setting a cap of 15 full applications being accepted for the August cycle



Looking Forward – PDAC Thoughts

Questions to Consider / Thoughts

1. *With the rush to submit mentality, have we come full circle back to where we started but now with one cycle in the fiscal year?*
2. *Should there be a limit on the number of full applications in each cycle?*
3. *Considering the current market conditions, should CPRIT review and award grants more like a venture investor (e.g., a more wholistic review of the company's ability to raise funds to advance)?*
4. *Should CPRIT keep “dry powder” to support companies it has previously funded?*
5. *What post award support can CPRIT provide the companies that it is funding?*





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Thank you!

