

Local biotech companies work to navigate the maze to market

Local biotech companies are crafting creative strategies to overcome obstacles and get to market faster.

One of the first moves Carole Spangler Vaughn — the new CEO of San Antonio-based Emtora Biosciences, formerly called Rapmycin Holdings Inc. — made was to recommend changing the drug development company's name so that more people will know what it is and what it does.

"The first thing I noticed was the name," she said. "It sounded like a finance company or a shell company."

Spangler Vaughn gave everyone across the company, including its scientific team, a homework assignment: Come up with a new name.

"As a startup, we didn't have the money to go out and get somebody to do this," she said. The rebranding as Emtora Biosciences is intended to let "investors and media all know what we are."

With the name change comes a shift in focus. Before the rebranding, Emtora had launched a Phase 1b clinical trial with its initial therapeutic compound, eRapa, focusing on patients with early-stage prostate cancer. The new CEO believes the company will find a more expeditious and less costly path to market by targeting the treatment of familial adenomatous polyposis, a genetic disease characterized by cancer of the large intestine. That could qualify Emtora, which is still years from commercialization, for an orphan drug designation for eRapa, creating a less cost-prohibitive path to market with greater competitive protection.

Emtora is among several local biotechs seeking creative ways to pave faster roads to market and more visibility in it.

To put its bioscience industry on par with major biotech hubs such as Boston and San Diego, San Antonio needs to attract more funding from investors and build more critical mass. And it needs more companies that have planted their flags in the Alamo City to find clearer paths to commercial success.

Finding the funding

Another relatively young San Antonio biotech, [bioAffinity Technologies](#), is working to commercialize its initial product, CyPath Lung, an early cancer detection diagnostic. Despite its progress, there are local hurdles.

"Funding is the most pressing challenge for most growing firms, and it is most difficult for biotech companies," bioAffinity CEO Maria Zannes said. "San Antonio lacks that investment pool."

BioAffinity is conducting a test validation trial for CyPath Lung. It hopes to take its first product to market later this year.

In the meantime, the company has formed a scientific and medical advisory board to provide independent advice on its research and development of cancer diagnostics and therapeutics. Zannes said the level of expertise the board brings will help the company recruit more top researchers and clinicians.

[StemBioSys](#), one of San Antonio's more promising biotechs, has created some important momentum in its more than six years in business. The company, which develops cell-expansion technology, only had one product on the market as of November 2017. By the end of this year, StemBioSys expects to have more than a dozen products in the commercial pipeline.

StemBioSys CEO Bob Hutchens said one thing the Alamo City bioscience industry needs to build more critical mass is additional infrastructure.

"We need to continue to build the ecosystem that supports bioscience," he said. "The biggest single challenge I see is the availability of appropriate incubator and transition space for new and emerging companies in the bioscience industry. The city has a particular need for additional laboratory space to support leading-edge research."

And like Zannes, Hutchens counts access to funding among the biggest challenges.

"We will need to ensure that there is sufficient funding available to launch and build companies in San Antonio. More institutional venture capital and private equity funds are key to meeting this need," he said.

StemBioSys' challenge, he said, has been to find the right balance between a broad pursuit and a focused approach.

"This is particularly important given our need to use our financial resources very carefully," he said.

Two can play the name game

Emtora is not the only San Antonio-based biotech that has called changed course to improve marketability and expand opportunities.

Inventa BioTech Inc., which had been called CytoBioscience since it moved to San Antonio from Germany in 2015, changed names and leaders in February. James Garvin, who oversaw the company's move to San Antonio, stepped down as CEO to become its consultant, while Steven Charest stepped in as interim CEO.

"I got the company to a particular point, and now we need to get it to the next level," Garvin said. "To move from a very tiny private company to a much bigger public company is a damned big job."

Before the name change, Inventa BioTech (OTC: INVB) completed a [complex transaction that resulted in it being publicly traded](#).

Garvin said the company must expand its commercial base and look for more "acquisition opportunities" as it moves forward.

Shouting out the victories

There have been some success stories in San Antonio.

Xenex has marketed its germ-zapping robots to hundreds of hospitals and other medical facilities across the world looking to reduce patients' exposure to potentially lethal health care associated infections.

San Antonio is also home to [BioBridge Global](#), a nonprofit that's provided a big boost to the city's efforts in regenerative medicine through its multiple subsidiaries, including GenCure. The BioBridge Global GenCure Biomanufacturing Center will anchor a new VelocityTX innovation hub planned for the old Merchants Ice warehouse on East Houston Street, establishing a presence closer to San Antonio's military medical activity at Fort Sam Houston.

“San Antonio has great potential that has yet to be realized, but I think we have the ingredients to reach greater success,” Zannes said.

Garvin believes San Antonio can compensate for some of its lack of investment support with greater self-promotion.

“First and foremost is to understand that San Antonio is already a world leader in biotech and bioscience,” he said. “San Antonio is a place where leading companies are, where leading technology is emerging.”

His advice for Alamo City leaders: “Acknowledge it. Shout it out to the world. Stop being a secret. Thump your chest and be darn proud. When you do that, the world will see San Antonio far differently.”

Zannes said San Antonio's intangible is the collaborative support from various institutions, including the University of Texas at San Antonio and UT Health San Antonio.

StemBioSys' Hutchens is among the believers.

“We are starting to see a number of our startup companies begin to build market presence and expand their footprint here in the U.S. and globally,” he said.

Emtora's Spangler Vaughn's main goal is to get the company's first drug “across the finish line.” And she sees no reason that can't happen in San Antonio.

“People are energized,” she said. “People are happy to see that someone who has done this before has chosen a San Antonio company to work with.”

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