



**MICHIGAN TECHNOLOGY
& RESEARCH INSTITUTE**

Successful Exits

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Background

40 years experience in pharmaceutical research and development management & entrepreneurial positions.

34 years with Parke-Davis/Warner-Lambert /Pfizer. Retired as Vice President, Worldwide Preclinical Safety.

Participated in the launch of 17 highly successful compounds

Co-founder (2001): Cambridge Biotechnology Ltd, a biotechnology pharmaceutical company in Cambridge, England.

Co-founder, CSO, VP of R & D(2003):QRx Pharma Pty Ltd, a biopharmaceutical company in Brisbane, Australia. □

Co-founder, MITRI (2006): Strategic consulting focused on pre-IND to proof-of-concept for pharma companies worldwide. □

Exits

What makes a successful exit?

Founders & Management team: Expertise in technology that attracts industry and investors

Investors: Believe in the science and in the management team. Support and not control.

Acquirers: Build long-term sustainable base with new products.

Cambridge Biotechnology

Founded 2001 together with ex Parke-Davis colleagues

3 therapeutic areas, 4-6 lead compounds

Acquired by Biovitrum in 2004

Acquirer kept all of CBT operations in place

Milestone payments over 2+ years, A+

QRxPharma

2003: Founders, Dr. Gary Pace and Dr. Felix de la Iglesia
Technology from the University of Queensland (Australia) in 2
therapeutic areas: pain and blood coagulation.

Potential products included a dual opioid analgesic, a neuropathic pain
combination, and antifibrinolytic and hemostatic venom proteins.

Strategy: several pharmaceutical forms for the dual opioid, scale-up the
antifibrinolytic and hemostatic proteins, ramp-up proteomic efforts
into cardiovascular and CNS with support from the Australian
government

Development Timeline

In late 2003, Company completed two Phase II studies using the dual-opioid on patients with moderate to severe pain.

In the third quarter of 2004, QRxPharma completed Phase I bioavailability and toxicology studies on the product now named MoxDuo.

In late 2005 an IND was submitted to the US FDA for Phase III clinical studies.

In early 2006, a Phase III clinical trial protocol was cleared by the US FDA.

The successful exit

Between 2002 - 2007, QRx raised total placements of debt and equity of approximately \$18 million

In June 2007, QRxPharma completed its initial public offering led by JP Morgan on the ASX, raising \$50 million AUD, company valued at >\$120 million.

In June 2008 QRxPharma was listed on the International OTCQX

Largest IPO on Australian ASX history

Strong IRR to all investors, A+

Critical elements of an exit

Economic climate is essential

Majority exits are acquisitions. An IPO in 5 years is rare.

The Macro-economic environment: Are there any buyers?

What is the acquirer looking for? Technology? Access to a new Market ? Additional revenues? A unique Business Model ?

Structure, documents & due diligence package (Company)

Timing of exit of 6 ~ 18 months may be, 2-3 years likely

Collaboration with M&A experts and Investment bankers is a plus