



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

2025 Report from the Product Development Advisory Committee

Andrew Strong and Michele Park, PhD
Guest: Sarah Hein, PhD



PDAC Chair/Vice Chair



Andrew Strong

Partner, Houston
Hogan Lovells US, LLP
+1 713 899 3930
andrew.strong@hoganlovells.com

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)

Chair Andrew Strong, JD, Partner, Hogan Lovells, LLP (Houston)

Vice Chair Michele Park, PhD, Partner, NEA (Los Angeles, CA)

Existing/Returning Members:

Claire Aldridge, PhD, Director, Alexandria Real Estate Equities (Dallas)

David Arthur, CEO, Nanology Inc. (Fort Worth)

Harry Bushong, Convergence Ventures (Houston)

Bruce Butler, PhD, VP, Research and Technology, Director, University of Texas HSC at Houston (Houston)

Julie Goonewardene, Former AVP for Innovation and Strategic Investment, UT System (retired) (Austin)

Gabby Everett, PhD, Dir. Business Operations and Strategy, Site Head, BioLabs Pegasus Park (Dallas)

Victoria Ford, President and CEO, Texas Healthcare & Bioscience Institute (Austin)

Heather Hanson, President, BioMedSA (San Antonio)

Dan Hargrove, JD, Managing Partner, Texas BioTech Ventures (Marble Falls)

Paul Lammers, MD, Former CEO, Triumvira Immunologics, Inc. (retired) (Austin)

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

Dennis McWilliams, Venture Partner, Sante Ventures (Austin)

Emily Reiser, Director, Strategy and New Ventures, Texas Medical Center (Houston)

Greg Stein, MD, CEO, Curtana Pharmaceuticals (Austin)

New Members:

Ross Barrett, Managing Partner, Cancer Focus Fund (Shreveport, LA)

Sarah Hein, PhD, CEO, March Biosciences, Inc. (Houston)

Conley Jones, VP, Life Sciences, Alexandria Venture Investment (New York, NY)





Market Overview

Michele Park, PhD



Bumpy Year Thus Far – Brutal for Biopharma

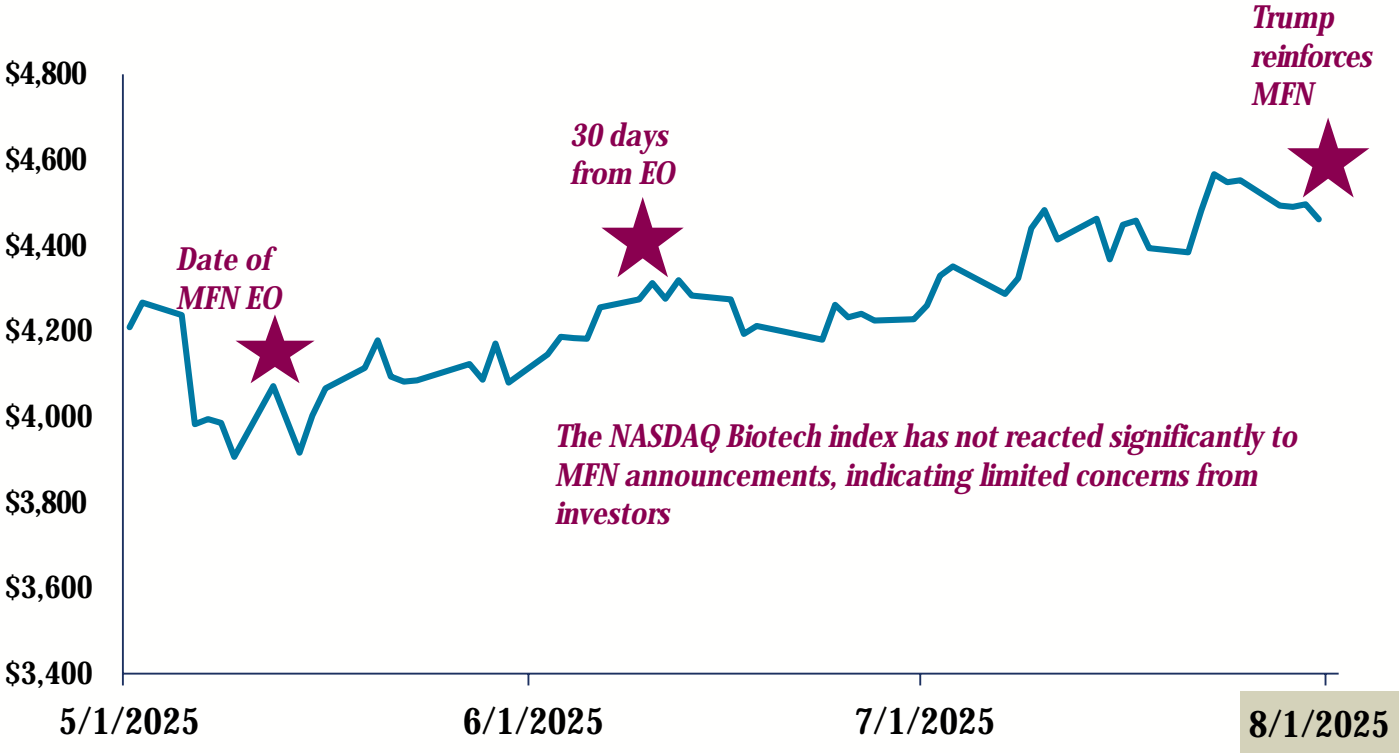
- Rough Macro Environment: Geopolitical Instability & Trade Policy Uncertainty
- Biotech YTD Challenged Relative to Broader Market Performance
 - ü Biotech Investment Activity Dramatically Slowed in 2025
 - ü Q2 - First Quarter Without a Biotech IPO Pricing Since 2009
- Biopharma: Sector–Specific Headwinds
 - ü CMS, HHS, MFN (Potential Negative Impact on Drug Pricing in US)
 - ü Looming Threat of Pharma Tariffs
 - ü FDA – Regulatory Overhaul
 - ü Eroding Research Support: Threatened Cuts to NIH Budget
 - ü Waning Support for Vaccines and CDC



Market Outlook Getting More Favorable

While the MFN initiative poses a challenge for the pharma industry, investors appear to have limited concern about the long-term impact of the Executive Order

NASDAQ Biotech Index Performance



Note: EO = Executive Order, MFN = Most Favored Nation, IRA = Inflation Reduction Act.
Source: Health Advances analysis, NASDAQ.



Market Outlook Getting More Favorable (cont.)

- M&A Activity is up after a slowdown in 2025 building confidence in the sector
 - 2025 (\$57B YTD) has already eclipsed 2024 (\$50B) in total deal value
 - Rising trend in private company acquisitions (roughly 50/50 split vs publics over last 2 years)
 - Private M&A Deals: earlier stage/contingent payments
 - *Oncology* companies remain most active acquisition targets
- Recent pro-biopharma industry rhetoric from FDA & HHS
- Fiscally expansionary Big Beautiful Bill should support long-term expansion of risk appetite – Good for Biotech
- Fundamental demand for new medicines continues to grow



Increased Opportunity for CPRIT's Impact

- Current funding shortage
 - Private Investments (deal count and capital invested) down in 2025
 - Lull in biotech public equity market
 - Absence of IPO window (Q2 represented first quarter without a biotech IPO pricing since 2009)
 - VCs challenged to raise new capital
- Investor Focus: capital efficiency and runway extension through clinical/regulatory catalysts

Opportunity for CPRIT to fill funding gap





CPRIT
Awardee
Sarah Hein, PhD





**In the
Numbers**
Andrew Strong



Product Development Since 2010 (thru 2025)

FY	# of Cycles	# of Apps	# of Awards Approved	FY	Running	Total Award Amount Approved
				Funding Rate	Funding Rate	
2010	1	25	4	16.00%	16%	\$21,523,951
2011	2	18	1	5.56%	11.63%	\$5,680,310
2012	3	78	6	7.69%	9.09%	\$65,444,537
2013	3	49	5	10.20%	9.41%	\$49,157,565
2014	1	41	4	9.76%	9.48%	\$59,579,105
2015	4	43	7	16.28%	10.63%	\$77,072,632
2016	2	57	4	7.02%	9.97%	\$58,896,837
2017	2	39	1	2.56%	9.14%	\$8,998,067
2018	2	38	3	7.89%	9.02%	\$50,587,540
2019	2	65	8	12.31%	9.49%	\$51,183,034
2020	2	68	7	10.29%	9.60%	\$47,649,610
2021	1	35	2	5.71%	9.35%	\$27,565,207
2022	2	46	11	23.91%	10.47%	\$70,866,921
2023	1	11	7	63.64%	11.42%	\$75,236,489
2024	2	30	13	43.33%	12.91%	\$74,972,289
2025	2	45	17	37.78%	14.53%	\$73,923,737
Total	32	688	100	14.53%		\$818,337,831

27% of Total



Product Development Since 2016

Cycle	Total Prelim Apps	Total Full Apps	Company Awards				Seed Awards			
			Apps	In-Person	Diligence	Rec'd	Apps	In-Person	Diligence	Rec'd
16.1		25	25	12	5	2				
16.2		32	32	13	7	2				
17.1		19	19	8	3	0				
17.2		20	20	6	2	1				
18.1		18	18	4	2	0				
18.2		20	20	10	6	3				
19.1		38	13	6	6	2	25	11	4	3
19.2		27	13	6	2	2	14	5	2	1
20.1		40	24	9	3	1	16	7	4	4
20.2		28	19	8	4	2	9	0	0	0
21.1		35	14	5	4	2	21	3	1	0
22.1		13	7	1	0	0	6	2	2	2
22.2		34	18	8	5	5	16	7	6	5
23.1	60	10	9	5	5	5	1	1	1	1
24.1	79	16	11	11	5	3	5	5	3	3
24.2	63	14	6	6	2	2	8	8	4	4
25.1	90	22	16	16	6	6	6	6	3	3
25.2*	N/A	23	16	8	4	4	7	4	4	4
26.1	164	24	15	15	TBD	TBD	8	8	TBD	TBD
Totals	456	458	315	157	71	42	142	67	34	30
% of Apps			-	50%	23%	13%	-	47%	24%	21%
<i>Last year (August 2024)</i>				47%	21%	11%		43%	21%	18%

Note: * the FY25.2 Supplemental Cycle was only available to existing grantees.



In the Numbers...

- **From 2016 to 2022 (13 cycles)**
 - ∅ Average Full Applications was **27**
 - ∅ Seed Awards represent **40%** of total
 - ∅ Average # of Awards was **2.8**
 - ∅ Average \$ per Award was **\$9.4 million**
- **From 2023 to Present (5 cycles) (excludes 25.2)**
 - ∅ Average Prelim Apps is **91 (up from 73 last year)**
 - ∅ Average Full Applications was **17 (up from 15 last year)**
 - ∅ Seed Awards represent **41% of total (down from 44% last year)**
 - ∅ Average # of Awards was **6.75 (up from 6 last year)**
 - ∅ Average \$ per Award was **\$7.25 million* (down from \$7.5 million last year)**
 - ∅ If 25.2 awardees (8) at \$1.6 million avg included, average is **\$6 million**



In the Numbers... (cont.)

- **Conversion Rate thru August 2025**

Time Period	Cycles	Company Awards				Seed Awards			
		Apps	In-Person	Diligence	Rec'd	Apps	In-Person	Diligence	Rec'd
2019 - 2019	7	108	43	24	14	107	35	19	15
			40%	56%	58%		33%	54%	79%
				22%	33%			18%	43%
					13%				14%
2023 - 2025	4*	42	38	18	16	20	20	11	11
			90%	47%	89%		100%	55%	100%
				43%	42%			55%	55%
					38%				55%

Note: * does not include the Supplemental Cycle (25.2) during which 23 submitted
 Legend: **green** increase from 8/24, **red** decrease and **blue** flat/no change



In Summary...



In Summary...

- **We continue to see increased attraction rate in high quality applicants, a product of the current market conditions and an overall improved application process**
- **The Conversion Rate from Full Application to Award has remained steady since August 2024**
 - Ø **Company Awards – 38% chance of award from Full App**
 - Ø **See Awards – 55% chance of award from Full App**
- **Average \$ amount per award is trending down**
- **The number of Seed Awards per cycle are holding steady between 41% to 44% of the total awards made**
- **Budget negotiations during diligence is valid and should be continued but needs to be more surgical, on case-by-case review**



Looking Forward – PDAC Thoughts

1. Market conditions continue to challenge fundraising for early stage biotechs, but increased trend of M&A activity bodes well for the future [**Continue full speed ahead while adapting to changing market conditions**]
2. CPRIT should make awards to leading “first in class” and “best in class” technologies (e.g., ADCs and radiopharmaceuticals) [**Are these fundable companies? Need to balance fund raising patience with reality.**]
3. The “Follow On” 25.2 Supplemental Cycle should be part of CPRIT’s annual process [**Yes, continue to support strong performing awardees!**]
4. Consider revisiting Revenue Sharing model to allow for more/balanced revenue share opportunity [**CPRIT should not be last in line to get a payout.**]





CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

Thank you!

