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5 questions with the new CEO of a Tampa biopharma aiming for an IPO

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Russell McAllister, newly named president and CEO of Tampa biopharma Intezyne, says he thrives on solving difficult puzzles.

Intezyne's focus on pancreatic and gastric cancers, both with low survival rates, presents just the challenge McAllister wants to tackle.

The company, one of the first pioneers in the University of South Florida Research Center, has raised \$10 million in capital and is eyeing a larger funding round, in advance of a potential initial public offering. It has two drugs in development and just partnered with Exosome Diagnostics, a Waltham, Massachusetts-based company with a companion diagnostic for one of the potential Intezyne drugs.

"A 'companion diagnostic' is a diagnostic used alongside a therapy to help physicians determine whether it's working or not. Companion diagnostics are one of the waves of the future since they limit the resources wasted on therapies that aren't effective," McAllister said. "Some of the recent medical breakthroughs in cancer are therapies that are only effective against specific — often quite rare — mutant cancer strains, but they are highly effective against those particular strains. Consequently, quickly identifying if a patient has that particular strain is necessary."

McAllister succeeded Kevin Sill, the former CEO who has left the company. McAllister previously was chief financial officer at Intezyne. He joined the company in late 2016, after a stint as vice president of finance at Qu Biologics in Vancouver, and chief financial officer at Lakewood-Amedex Inc. in Sarasota. Prior to that, he spent much of his career in equity research and health care investment banking. He answered some questions from the *Tampa Bay Business Journal* after his promotion was announced.

Why did you move from investment banking to taking executive roles at biotech firms?

Equity research and investment banking involved analyzing and/or advising numerous emerging companies either in parallel or serially, respectively. While I found the work intellectually interesting — learning from the many strategic missteps that you observed, always solving new and varied challenges — I also found it ultimately unrewarding because the experiences were transient. The exception was a couple of the turnarounds that I worked on — some of those companies went on to become extremely successful — and



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E. Russell McAllister, president and CEO, Intezyne

that was rewarding. And I believe it was those experiences that ultimately compelled me to move to industry.

What interests/motivates you about developing treatments for cancer?

Everyone wants to feel that their job matters. In biopharmaceuticals — and cancer drug development — that impact is clear. While there is a constant and high risk of failure, if you can successfully advance a product candidate from point A to point Z, you can provide physicians with new treatment options and have a direct and meaningful impact on patients' lives.

From my perspective, cancer touches everyone — at a high level, we're good enough at treating infectious diseases and managing chronic cardiovascular and metabolic conditions that cancer is the area of greatest unmet need. I thrive on trying to solve the most difficult puzzles or at least be able to say that I tried. Consequently, I'm drawn to work on products for the most challenging diseases and indications, such as pancreatic and gastric cancers, as these are the patients who are the most desperate for true advances. The five-year survival rate — the proportion of patients still alive five years after diagnosis — for breast and prostate cancers is 90 percent and 99 percent, respectively; by comparison, for pancreatic cancer, it's 8 percent. Put differently, breast cancer accounts for 15 percent of all new cancer diagnoses, but only 7 percent of deaths; pancreatic cancer accounts for only 3 percent of all new cancer diagnoses, but the same 7 percent of deaths. Trust me when I say you'd much rather be diagnosed with breast or prostate cancer than pancreatic or gastric cancer.

Ironically, I derive more personal satisfaction from some of my failures than my successes. More than a decade ago, I helped raise \$70 million for a tiny \$10 million company with a breakthrough stroke therapy, another area where the list of failed efforts far exceeds the list of successes. With that money, we ran two clinical studies. It didn't work. But it was very much worth the effort and investment because that therapy had a real shot at working — and that would have mattered.

Does your promotion signal that Intezyne is moving closer to an IPO or at least additional funding?

I think my promotion signals that Intezyne is evolving and that the board felt that my experience and expertise allow Intezyne to identify and maximize the opportunities immediately in front of it. I have a lot of experience helping emerging biopharmaceutical companies transition from private to public, and that's a useful strategic option to have. However, prior to going public, Intezyne will need to demonstrate that at least one of its products works — what we call 'proof-of-concept' — and getting there will require a solid strategy, additional funding and good execution. Right now, I'm focused on those areas.

Is Tampa a good place to grow a biopharma company? If so, why?

Tampa offers competitive advantages in some areas, such as the cost of lab space and cost of living, and competitive disadvantages in others, such as a fairly shallow talent pool and limited 'network effects' — the symbiotic benefits of growth industry clusters. The challenge for Intezyne is to exploit its competitive advantages while minimizing its competitive disadvantages, which it can do by, among other things, focusing on early development and formulation work and/or partnering with companies located in recognized biotechnology clusters. I'm still trying to figure out how to best leverage 'days of intense sunshine,' but I have a hunch that will help me with recruiting.

Who is filling the CFO role at Intezyne?

In the short-term, I am continuing to serve in that capacity, supported by the board and other Intezyne employees. In the intermediate-term, I expect that we will recruit someone to fill the CFO role, preferably someone with relevant industry experience.

Margie Manning

Finance Editor

Tampa Bay Business Journal

