



## **ETI Celebrates Milestone Year of Growth and Success**

When Emergent Technologies, Inc. (ETI) was founded in 1989 it was envisioned as a tri-purpose company – start-up biotechnology companies' funding and launch platform, technology commercialization catalyst for state universities, and business management services provider. Today, in 2008, ETI is a transformational engine for invention

Biosystems; MHC Biologics and Appian Labs.

Reveal Sciences is a new personal care technology company specializing in tailored color changes for consumer products and personalized skin and hair analysis for the cosmetics and personal/home care industries.

A smart sensor material company,



*Thomas A. Harlan, President and CEO  
Emergent Technologies, Inc.*

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***“The technologies and products of ETI’s portfolio companies will help transform life sciences, healthcare and other disciplines on a global level.”***

***Thomas A. Harlan, President & CEO  
Emergent Technologies, Inc.***

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and productization, providing expertise and tools for entrepreneurs, life sciences businesses in both start-up and sustaining modes and corporate enterprise.

ETI is playing a significant role in building and strengthening Texas' economy and the state's role in the life sciences arena. Just this year ETI launched four new start-up companies in Austin: Reveal Sciences, a spin-off of portfolio company Beacon Sciences; Coradyn

Coradyn Biosystems has polymer technology with potential applications in molecular sensor devices for a wide array of industries, including RFID or wireless sensing, medical devices and diagnostics.

MHC Biologics is a biotechnology company with a unique and proprietary portfolio of breakthrough technologies that can be used in the development and design of anti-cancer and infectious disease treatments for patients worldwide.

A biopharmaceutical company, Appian Labs is focused on designing delivery solutions tailored to pharmaceutical companies' drugs to improve their effectiveness; and to developing next-generation drug formulations for safer and improved health care.

Four of the startups now have wet laboratory space in ETI's three-story office building. The startups continue their groundbreaking research and facilitate the development of new products from the research.

ETI synergies bring together the best experts, business tools and technologies to serve as a catalyst for advancing business and commercial success for entrepreneurs, investors, industry partners and regional economies.

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# ETI Opportunity Texas Proof-of-Concept Award

In the spring of 2008 ETI developed the Opportunity Texas Proof-of-Concept Award. University of Texas System researchers were invited to submit proof-of-concept applications for new and innovative technology. ETI established stringent criteria for the selection process.

ETI President and CEO Thomas A. Harlan explained, "We established the Opportunity Texas Award as part of our ongoing collaboration with the University of Texas campuses and to help raise the profile of UT research and of the state of Texas in the life sciences."

Multiple award applications were received from most of the UT campuses. In June ETI announced the winners of the Opportunity Texas Award at the BIO International Convention in San Diego. The award went to the University of Texas at Dallas (UT Dallas), with co-principal investigators Bruce Gnade, Ph.D. (UT Dallas) and Jeffrey Cadeddu, M.D. of The University of Texas Southwestern Medical Center at Dallas (UT Southwestern) for their StoneMag System Kidney Stone Magnetic Retrieval System. The award consists of a \$25,000 check and another \$25,000 worth of

technology commercialization management services that ETI will provide to the UT researchers. The business services will include strategic planning for both technology and business implementation pathways for the StoneMag System invention.

An important aspect of the Opportunity Texas Award selection criteria was market potential for the technology. The UT Dallas StoneMag System is a urology device and the 2008 urology device market is estimated to be more than \$1 billion per year worldwide. The market is growing at a rate of 20%, largely driven by an aging population and an increased incidence of age-related complications. Overall treatment costs for kidney stones is estimated to be more than \$5 billion per year in the US alone.

Runner-ups for the Award included several additional technologies from UT Dallas and UT Southwestern, as well as technologies from UT Medical Branch at Galveston (UTMB), UT Austin, and UT Arlington. The submitted technologies ranged from MRI contrast agents and biodegradable nanoparticles for

cancer diagnostics and therapies to biodegradable stents for cardiovascular therapy.

"The Opportunity Texas Award recognizes the important work being done by Dr. Gnade and Dr. Cadeddu and is testimony to the success of the extraordinary scientific environments that exist on University of Texas campuses," UT System Vice Chancellor for Research and Technology Transfer Dr. Keith McDowell said.

UT Dallas researcher, Dr. Bruce Gnade, commented, "We very much appreciate this award from ETI for the StoneMag System, as it further validates our technology. Part of the award funds will be used to build prototype retrieval instruments as well as to design modifications of existing kidney stone retrieval tools to expedite commercialization of our technology. Our relationship with expert urologist, Dr. Jeffrey Cadeddu (UT Southwestern) coupled with ETI's commercialization expertise should put us on the right track for a successful product development to address a key market need."

The UT System consists of nine academic and health institutions. In fiscal year 2007 the UT System spent in excess of \$1.8 billion in research endeavors, resulting in 117 U.S. patents and 655 invention disclosures.

ETI's collaboration with the UT System has spawned six start-up companies based on discoveries and technologies from UT campuses. ETI not only funds but also provides technology commercialization management services to the companies.



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# Receptor Logic: Global Alliance and Local Economic Development

ETI portfolio company Receptor Logic, Inc. received a Texas Emerging Technology Fund (TETF) investment of \$2 million in June of this year. An Abilene-based biotech company, Receptor Logic is the first Abilene company to receive a TETF investment and it is also the first TETF investment to be made to a company founded on technology from Texas Tech University.

Gregory Pogue, Ph.D., President of Receptor Logic, said, "We appreciate the investment from the State not only for the recognition of the commercial viability of our technology, but also for the assistance it provides to accelerate Receptor Logic's long-term growth and expansion plans."

The \$2 million TETF investment will help Receptor Logic bring their innovative technology to the marketplace, and in so doing, provide valuable job and economic development opportunities for Abilene as well as contribute to the



Center: Texas Secretary of State Phil Wilson, ETI President and CEO Thomas Harlan, and Receptor Logic Team

future economic vitality of the whole West Texas region.

Receptor Logic will use the TETF investment to advance its efforts in the creation of antibodies through the company's T Cell Receptor mimic (TCRm™) technology. These TCRm's offer valuable insight into how the immune system interacts with a diseased cell, yielding better immunology research, better clinical diagnostics, and better therapies such as monoclonal antibodies and vaccines.

Also this year, Receptor Logic announced a partnership with Sanofi Pasteur, the vaccine development division of Sanofi-Aventis Group. The global leader in vaccine development, Sanofi Pasteur has teamed with Receptor Logic to develop TCRm's for the validation and testing of Sanofi Pasteur vaccines. Under a collaborative research and exclusive license agreement, Receptor Logic will create custom TCRm in support of Sanofi Pasteur's vaccine programs.



## ETI in the Press

In 2008 Emergent Technologies, Inc., and the firm's portfolio companies generated extensive media attention. More than 40 articles have been published, both print and online, reporting on new accomplishments, company and product launches, award and grants and on ETI's expertise in business and economic development.

Articles in the Texas press have included the *Austin Business Journal*, *Austin American-Statesman*,

*Abilene Reporter-News*, *Dallas Morning News*, *San Antonio Express-News*, *San Antonio Business Journal* and the *Houston Chronicle*. ETI was featured in a two-page article in the fall edition of *Research Texas*. Five television news segments related to ETI portfolio company Receptor Logic aired on local Abilene stations.

National business and trade press reporting on ETI and the portfolio companies include *Dow Jones VentureWire*, *Private Equity Analyst*, *Genetic Engineering News*,

*PharmaVoice*, *BioCentury*, *Pharmaceutical Business Review*, *Dow Jones Life Science* and *RFID Journal*.

ETI news has received substantial pickup on hundreds of national and international news sites including *Forbes*, *Business Week*, *Kiplinger*, *Entrepreneur Magazine*, *American Venture Magazine*, *MSNBC*, *CNBC*, *The Washington Post*, *The Boston Globe*, *Chicago Daily Herald*, *EuroInvestor*, *BioPortfolio UK*, *Reuters* and *United Press International (UPI)*.





ETI Celebrates... (Continued from page 1)

## ETI Expertise: Transformation, Invention and Productization

ETI has 19 years of experience in the strategy of transformation, innovation, invention and productization, with many examples of successful implementation and execution in multiple industries.

"We have expertise in transformational mobilization," said Thomas A. Harlan, ETI President and CEO. "ETI has been a leader in the new innovation models that help drive bottom-line growth in revenue and profits. One of the ways that ETI

is unique is that we bundle synergistic technologies together enabling organizations to maximize return on investment in the creation of new products and services. We provide transformational expertise in enabling businesses to move ahead in ways they never were able to do before."

ETI offers the kind of critical partnership that is so important to corporations and businesses of all sizes as they address emerging business needs and plan for future growth, profitability and strong return-on-investment.



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## SPOTLIGHT ON HYALOSE

Hyalose, L.L.C., one of ETI's Oklahoma City-based portfolio companies, received approval from the EDGE Policy Board for a \$1.23 million grant to build a center for manufacturing hyaluronic acid (HA) and related glycosaminoglycans (GAG's) products. The products will be utilized to formulate clinical diagnostic tools and companion therapies. The center will be located in the Presbyterian Health Foundation's Research Park in Oklahoma City.

With a strong intellectual portfolio (IP) of 35 issued and 49 pending patents, Hyalose's technology has potential applications in multiple high-yield markets including the \$4 billion orthopedic biomaterial market and the medical device coatings market, estimated at \$4.2 billion and expected to grow to over \$5 billion by 2010. Hyalose also provides competitive advantages to a broader market of glycoengineering, including tissue engineering, estimated to be \$15 billion per year currently. As more medical and pharmaceutical uses for HA continue to emerge, the value of the technology continues to increase.

Thomas A. Harlan, ETI President and CEO, commented, "We are very excited for Hyalose to receive the EDGE grant which will allow Hyalose to build a unique, one-of-a-kind, world class facility meeting Food and Drug Administration (FDA) requirements."

The State of Oklahoma's EDGE (Economic Development Generating Excellence) was developed to provide a blueprint for the state's future economic growth. The EDGE Endowment supports research and the transfer of innovation and technology to the private sector.