

Increasing Australia's Biotech iQ

Dr George J Syrmalis, CEO and founder of The iQ Group, is passionate about drug discovery and the future of medicine. He supports and invests in Australian biotechnology companies to ensure his vision for the future is realised.

Images by Scott Ehler

When George Syrmalis founded The iQ Group, his aim was to assist biotechnology companies to engage in distinctive, lasting, and innovative drug-discovery research. George set out to “build a great company that attracts, develops, and retains exceptional people who are passionate about being at the forefront of innovation.” With a background in nuclear medicine, George worked in Europe for some time before creating his first biotechnology company in 1995. “I’m a radiation immunologist by background, and early on in my career, while in Europe, I created a biotech company called Antisoma SA.

“Antisoma SA eventually evolved into The Bionuclear Group SA, which became an integrated healthcare company with a global

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outreach, headquartered in Europe. The group was focused on peptide labelled radiopharmaceutical research and development, reference pathology clinics, development of point-of-care tests, and end-stage renal disease dialysis clinics.

“It was this commercial experience that brought me to a realisation—the biotech industry required a dedicated corporate finance and investment banking platform that would understand discovery-stage and preclinical drug development early in the process, providing strategically placed capital that would enable the scientists to focus on what they do best—research and discovery. So when I repatriated, it became my objective to create an enterprise that would enable the biotech sector to bridge capital investment with academic research.”

Comprising three different companies, The iQ Group then evolved, amalgamating innovation, high-end science, and corporate finance into a profit-making enterprise, thus enabling the creation of the medicines of the future. iQnovate Ltd is an organisation that provides intellectual property asset management (drug compounds or platforms); iQ3Corp. Ltd provides specialised corporate finance and advisory services to biotech companies; and iQX Investments Ltd is a fund manager and a venture-capital provider to biotechnology companies.

This innovative and seamless integration of services is unique in the global environment. George remarks, “Only The iQ Group can bring together all the components required to ensure these medicines ‘happen’. We are leading the reconceptualisation of business >



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These newly founded biotechs need to proactively address the commercial challenges inherent in the drug development process. Failure to do so results in many 'tactical' financing cycles, with limited investor exit opportunities, which in turn creates investor fatigue. Drug development research is not easy.

"We believe that scientists should be enabled to do what they do best—research. If they have to reallocate time in order to negotiate with companies, create term sheets, seek efficient capital solutions, and spread themselves thinly across the whole commercial spectrum of enterprise, then the entire process becomes inefficient. You don't want the accountants doing clinical development plans, and by the same token you don't want or expect the researchers to be doing finance plans and valuation models."

One major hurdle for biotechnology companies in Australia is the lack of early strategically placed investment. Over the past five years, the Australian life-science sector has received less than 1 per cent of venture-capital investment compared to the US sector. This creates difficulties for Australian biotech companies, but also generates immense opportunities for the people who understand the industry. iQX Investments Ltd, the investment arm of The iQ Group, provides funding specific to these early-stage companies.

"In those first 10 years of development, you may need over a billion dollars, and through our funds, through our venture-capital arm, through our research and clinical-trial arm, we will piece the puzzle together in order to create an end product that is commercially viable."

George has assembled an outstanding team with expertise in a variety of disciplines ranging from business to finance and science. "Our success comes from the fact that we take a 360-degree view of drug development. We factor in the >

registration. Through the practice of our art, we aim to become recognised as the global 'biotech house', providing strategic funding, innovative science, and cutting-edge corporate advisory during the entirety of a compound's existence."

While other companies may offer corporate advisory, or assist biotechs with IPOs or venture capital, none offers an integrated service like The iQ Group does. "So our value proposition becomes unique at a global level. You can find companies that only do clinical research, and you can find companies that provide pharmaceutical contract sales services; but you're not going to find a company that also provides, in addition to these, IP asset-management services, practises corporate finance advisory, has access to strategically aligned biotech-specific capital, and also provides venture funding."

The biotech industry, due to the challenges inherent in drug development (approval risk, high cost of drug development, and, in most cases, long and unpredictable investment time), requires bespoke financing solutions. A traditional investment approach will not yield a feasible capital model.

models and the reshaping of existing markets by breaking the rules and changing the nature of competition and the game.

"The iQ Group value proposition provides an integrated horizontal platform to the industry, ranging from world-class scientific research and drug development to bespoke global biotech investment transactions and corporate finance. To give you an example, imagine a biotech company that has a compound in early-stage development. They can partner with The iQ Group, and we can then work with them to corporatise, monetise, and commercialise the compound—from discovery right through to



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We invest for the long term and are heavily involved in, and committed to, the growth and success of our portfolios.

Our relationship with The iQ Group of Companies expands our global reach and investment size, providing a deep understanding of the life sciences markets.

iQX has also introduced Series 8; a uniquely structured, highly specialised and strategically focused \$300 million investment fund, predominantly dedicated to Australian early stage life science companies with a preference towards private companies engaged in discovery to preclinical stage research.

Our point of difference lies in our experienced team and the approach we take towards the investment candidate.

- We understand the business of biotech; we have been there
- We know the people creating the science; we've worked with them
- We know the challenges the biotech teams deal with; we've dealt with them and succeeded



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science, the market, the business planning, and the financing.”

George’s leadership team have, at their very core, one fundamental belief—the passionate and relentless pursuit of excellence in everything they do. “With drug research, you’re engaging in a creative process for the next 10 to 15 years of your life, with an estimated 16-per-cent probability of succeeding—only once the compound has commenced clinical trials. Nobody can do that just for the money; you have to be passionate about discovery; you have to be passionate because you won’t see the results of your research until some 15 years later.”

For George, it is vital that the whole team possess this passion for making a difference. “We require people who are ambitious, resilient team players; people who are very passionate about drug development and about making a difference to society. You can’t do what we do just for the money. I think that the money is merely the metric whereby we measure our success, and it’s just a by-product of our success. In terms of technical skills, we have people with PhDs in science and medicine in addition to people who have business, accounting, or engineering qualifications.

“We realise that as a company we will only be as successful as the people we choose to work with. So our emphasis is always placed squarely on the people. One way The iQ Group ensures that our people remain engaged and put their best efforts into their work is by providing structured programs for learning and development. We have an internal learning and development process, as well as a specific human-capital program for career development. As part of that, we offer our people everything from management courses with institutions such as the Australian Institute of Management right through to MBAs with The University of Sydney.”

George believes that The iQ Group’s corporate culture and



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corporate values are vital to the company’s continuing success. He explains that the core values at The iQ Group are based on “a will to implement society-changing innovations. You have to be able to think outside the box. Seldom does a problem have only one solution. There are no predetermined norms; there are no predetermined behaviours or characteristics. This is a company where we have an open door policy—we’re much more interested in results than in hierarchy, and much more focused on quality than on protocol.”

This investment in human capital and company culture is paying off, with The iQ Group launching new initiatives that are going from strength to strength. “We have been in the very fortunate position to recently announce the formation of our first biotech fund—the iQ Series 8—which invests in early/discovery stage, private Australian biotechnology companies. This fund is the first of its kind—\$300 million originating from the private sector—to be strategically invested. Never before has any fund invested so early in the drug-discovery process. I think this is the most

exciting aspect of what we do. In 10 to 15 years time, we will be able to see these investments transform the world—discovery-stage compounds that will progress through the drug-development cycle to emerge as medicines that will potentially cure life-threatening disease.”

Looking to the future, George is confident about the Australian biotech industry and The iQ Group’s role in it. “It’s a transcendent and dynamic industry, and The iQ Group is setting the pace and creating the path for these burgeoning early-stage biotech. Australia currently has more than 900 life-science companies. The industry is evolving—it’s transitioning from traditional chemical medicines to biologicals and gene therapy. Medical technologies and platforms are constantly advancing, which is why it is crucial for us to exercise thought leadership and define the industry benchmark.

“Here at The iQ Group, we understand the art before the science; we win the hearts before the minds; we are the ones who always start with ‘Why?’ ” •



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We work with people and companies developing life changing technologies, empowering them through access to global capital markets and investment.

iQ3Corp. provides:

- Corporate finance
- Listings, cross listings (US and Europe)
- Mergers and acquisitions
- Asset management

Through the unique synergies of The iQ Group of Companies, iQ3Corp. understands the needs of early stage biotechnology companies and partners with them to navigate their way throughout the entire drug development life cycle with a focus on translating the scientific milestones into value creation events.



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