

Medicine man has right remedy



GAVIN DALY

Amryt Pharma has a healthy future under boss Joe Wiley, as it heads for a €62m flotation that could help fund a drugs revolution

On April 19, all going well, Joe Wiley will become Ireland's newest plc boss. If the 45-year-old doctor is worried about the prospect of quarterly reporting, investor updates and all the hoopla of running a public company, he's hiding it very well.

"I am actually really looking forward to it," said Wiley, a genial giant of a man, seated under a chandelier in a plush Victorian Dublin boardroom. "I've been a year getting to this point. I can't wait to get down to running the business."

The business is Amryt Phar-

maceuticals, formed by Wiley just last summer to acquire and develop "orphan" drugs for rare disorders.

In a complex piece of corporate choreography, Amryt is acquiring two companies, German group Birken and SomPharmaceuticals, a US-Swiss company, and going public via a reverse takeover of Fastnet Equity, a cash shell.

Amryt will be listed on AIM and Dublin's ESM, and expects an initial valuation of £50m (€62m) — not bad for an outfit with minimal revenues. The figure reflects particularly the potential of Birken, which has a product already approved to treat partial thickness wounds, particularly bad burns.

Wiley's big bet is that the product, Episalvan, will work just as well in treating epidermolysis bullosa (EB), an excruciating genetic condition that causes the skin of affected children to blister and fall off. There is no approved treatment for EB, a global market estimated to be worth \$1.5bn (€1.3bn) a year.

Som, a less mature business, is making treatments for acromegaly and Cushing's disease,

where the body produces too much growth hormone. That market is believed to be worth \$1.15bn, said Wiley.

He flips through an Amryt presentation to a page listing competitors with valuations ranging from hundreds of millions of dollars and into the billions. A developer of a rival EB treatment, still in trials, was bought last year for up to \$842m, it notes.

"The vision is to make Amryt a very large player in the orphan disease sector," said Wiley. "People are very excited about our prospects."

Investors should find it hard to poke holes in Wiley's CV.

Dublin-born, he was seven when the family moved to Julianstown in Co Meath.

He remembers making the "mortal mistake" of wearing a Dublin GAA hat to school one day. He didn't do it twice.

His secondary education was at the local Gormanston College, a well-regarded Franciscan school that counts a golf course among its facilities. "It's really a sports facility with a school attached," he said.

He played football and captained the water polo team that



won the All-Ireland championships at both junior and senior levels. At Trinity College Dublin, where he studied medicine, he also immersed himself in sport, particularly swimming and athletics.

He has the distinction of being a Knight of the Campanile, a Trinity society that elects "knights" for their contribution to sports. "It's a sports club for boys," he said, hinting at mainly bar-based activities.

He did his medical training at the old Meath and Adelaide hospitals in Dublin, and met his wife, Niamh, a psychiatrist, in the Meath, where he also spent part of his medical internship. "It was great fun. They were smaller hospitals, so it was like you were part of a family."

After qualifying as a hospital physician, Wiley opted to specialise in neurology, gaining a place on a five-year specialist training programme. During that time, he took a research break to run the first population-based study on young onset Parkinson's disease.

Wiley would collect blood samples from Irish patients and take them to the Mayo Clinic in the US for analysis. That meant carting blood in a Styrofoam box in his hand luggage, cooled with liquid nitrogen. Passing through security at Dublin airport one time, the box opened and dry ice smoke started seeping out.

"They didn't bat an eyelid. It was pre-9/11," he said.

He funded the research by working on clinical trials for a drug company, his first direct experience of the pharma world. He still had 18 months of his neurology training left when he began to think about other career options.

"I was turning 30 and looking at how I wanted to spend the next 35 years," he said. "I was attracted to the commercial side of medicine but I knew if I moved straight in, I would always be seen as a

doctor in pharma."

He signed up for an MBA at Insead in France, the top-ranked business school. "My poor wife married a trainee

neurologist and ended up with a student businessman."

He had a "wonderful, wonderful time" on the MBA, which included a stint at Wharton business school in Pennsylvania. "I had skills in clinical medicine and research, and a freshly minted MBA; it worked well for life sciences investment, which was what I wanted to do."

He landed a job in 2004 at Inventages Venture Capital, a €150m life sciences fund backed by Nestlé. The Wileys settled in Nyon, Switzerland, and his first deal was an Inventages investment in OpiTherapeutics, a Trinity College spin-out.

After a Swiss rule change meant his wife couldn't work there as a doctor, however, they swapped the Alps for the Yorkshire Dales. Living in Harrogate, Wiley ran a €15m university spin-out fund for Aberdeen Asset Management.

He also got involved in Aberdeen's much larger private equity deals. "We were doing buyouts in the UK mid-market. It was a great time — business was booming and the markets were very liquid."

In 2010, now with three children, they decided to move back to Ireland. Wiley joined Astellas, a Dublin-based pharma group, as medical director, running a full service medical department. "I got to see the pharma industry from the inside out. It was a very different role — managing people, clinical operations, regulatory affairs, and interacting with sales and marketing."

He also found time to pick up a diploma in pharmaceutical medicine in 2012. The same year, Wiley was approached by a US investment group, Sofin-

nova Ventures, which had landed funds from the government's Innovation Fund Ireland scheme to back pharmaceutical firms.

He ran its European operation for three years. "I had visibility on all the late-stage drug development opportunities in Europe," said Wiley.

He led an investment and Nasdaq IPO of Innocoll, a drug delivery business, and is still on the board of the company. Sofinnova also backed Prothena, a spin-out from Elan, the Irish drug group.

Last year, Wiley began looking for opportunities of his own. "I had the idea of setting up an orphan-focused drug company in Ireland and I had some assets I was tracking."

The orphan sector was attractive, as drugs that have orphan designation benefit from incentives, including periods of market exclusivity and tax credits. Epivalvan has orphan drug designation in both the US and EU.

Joey Mason, another doctor turned venture capitalist, introduced Wiley to Cathal Friel, a financier who was looking at assembling and floating a medical technology venture. Friel also chaired Fastnet Oil & Gas, which was reviewing its interests in

Ireland and Morocco because of collapsing oil prices.

Over time, their interests aligned. In August last year, Fastnet said it would quit the oil and gas sector and become Fastnet Equity, a listed shell with €12m in cash.

Amryt — named after the Sanskrit word for a healing elixir that comes from the gods — was formed the same month and raised about €2m from wealthy private investors. Friel and Rory Nealon, formerly chief financial officer (CFO) of Nasdaq-listed Trinity Biotech, are cofounders.

They went to work, pinning down the deals with Birken and



Som. Birken was set up in 2000 to research the medicinal properties of betulin, a substance in birch bark, leading to the creation of Episalvan.

A charitable trust run by Software AG, a large German tech group, has funded Birken to the tune of €54m. "They had decided to put the company up for sale, and we negotiated an attractive deal," said Wiley.

Amryt paid €1m last October to secure the Birken deal, and will pay €50m more in milestone payments, as well as a royalty-share deal on sales. In December, it agreed terms with Som, set up by Alan Harris, an Irish scientist who previously worked at Novartis.

There, he developed Octreotide, an acromegaly treatment that has sales of \$1.65bn a year. "Alan set up Som to develop the next generation of Octreotide," said Wiley.

The takeover of Fastnet, to be approved by Fastnet shareholders on April 18, is the last hoop to get through before share trading can start the following day. The existing Fastnet shareholders will have 20% of the equity in Amryt, and their interests in oil and gas assets are still held in trust, in the event they might rise in value in future.

Management, including Wiley, Nealon and Friel, will own about 30% of Amryt. The former Birken owners will hold 30% and Harris about 5%.

"It has been quite a complex series of transactions, all simultaneously negotiated," said Wiley. The process involved raising £10m in fresh funding, not helped by the equity markets tanking at the start of the year.

"We were going into the Euronext building in Amsterdam for investor meetings and the screens showed a big red line travelling from the top left to the bottom right. That was the backdrop."

He believes the mix of scien-

tific know-how and commercial expertise at Amryt helped the company land the funds. It is chaired by Harry Stratford, founder of Shire Pharmaceuticals, and its directors include Ray Stafford, the inventor of Sudocrem, and James Culverwell, former head of global healthcare research at Merrill Lynch. Michele Bellandi, former head of Europe at Shire, is chief commercial officer, working with Wiley as chief executive and Nealon as CFO. The company is hiring a chief medical officer.

"It's a management team and board you would expect to see in a much larger company," Wiley said. The money will help fund milestone payments for the purchase of Birken, as well as phase III trials on Episalvan as a treatment for EB.

The study will involve 150 patients over 18 months, with first data expected in early 2018. "Positive top line data would be transformational for the business," said Wiley.

Amryt could then submit Episalvan for approval in the EU and US. The Amryt presentation forecasts peak revenues of more than €500m a year from Episalvan alone.

In the meantime, it will have revenues from selling Episalvan for partial thickness wounds, and from Imlan, a "dermaceutical" it sells in Germany. Wiley plans to take Imlan to other markets.

"The short to medium-term focus is on bedding down Birken and Som, and getting Episalvan through phase III trials. Then we will look at other opportunities."

That could include a Nasdaq listing in time. "I have a lot of experience with Nasdaq. I would see it as a direction of travel for our business in time."

There are well-documented risks in drug development and approval, which often takes longer and costs more than expected. And shares, of

course, can go down as well as up. Wiley seems convinced Amryt is on the right track, medically at least.

"Let's not forget this is a treatment that helps small children with an awful disease. There is a genuine unmet need. That's what drives us."



The life of Dr Joe Wiley

Vital statistics

Age: 45

Home: Ballsbridge, Dublin

Family: Married to Niamh; three children – Luca, Portia and Athena

Education: medicine at Trinity College Dublin; MBA from Insead in France; diploma in pharmaceutical medicine

Favourite book: A Brief History of Time by Stephen Hawking

Favourite film: The Shawshank Redemption, pictured



Working day

At the moment, I get up at 5am and I'm on an early flight to London or some other European city, meeting potential investors, brokers, lawyers or other stakeholders involved in the Amryt deal. I generally work through lunch and into the evening. I travel a lot to Stuttgart, where Birken has its manufacturing facility, and I spend two or three days there.

Downtime

I'm a member of Dun Laoghaire golf club where I play two or three rounds a year at the moment. I play tennis when I can. My serve is my only weapon.



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BRYAN MEADE





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