



Minnesota High Tech Association Case Study: Angel Investment Tax Credit Rebiotix – the Healthy Gut Innovator

Rebiotix Inc. – Clinical stage biotechnology company founded to revolutionize the treatment of debilitating diseases by harnessing the power of the human microbiome.

Location:

Rebiotix main office is located in Roseville, MN

Online: rebiotix.com @Rebiotix



Innovation: Microbiota Restoration Therapy™ drug platform

Rebiotix is the leader in the MRT™ platform, the science for delivering live, human-derived microbes into a sick patient's intestinal tract to treat disease.

Restoring healthy gut microbiota is being increasingly recognized, through emerging research in the medical field, as an effective, new way to treat challenging gastrointestinal diseases. One such challenge is treating recurring *Clostridium difficile* infection, known as *C. diff*, one of the most common health care-associated infections in the U.S. The symptoms of *C. diff* are severe diarrhea and abdominal pain. The condition affects more than 500,000 patients each year, has been linked to 29,000 deaths annually. About 20 to 30 percent of patients with *C. diff* who are treated with antibiotics get the disease again. The only approved treatment is more antibiotics, which can create a cycle of recurrence. Rebiotix has shown in clinical trials a promising new way to treat patients with recurring *C. diff*.

Launch and funding:

Rebiotix was founded in 2011 by Lee Jones, with partners Erwin Kelen and Mike Berman. Lee Jones, who is currently Rebiotix president and CEO, is a native of Minnesota and earned two degrees from the University of Minnesota, from the College of Science and Engineering and the Carlson School of Management.

Minnesota Angel Investment Tax Credit was used by Rebiotix in its Series A funding round in 2011, increasing



funds raised from \$4 million to \$5 million by having investors reinvest their tax credit into Rebiotix. With this round of funding, Rebiotix completed its first clinical study. Three years later, in 2014, Rebiotix secured another \$25 million in its Series B funding round. It has grown to over 40 employees with an annual payroll of over \$3 million.

Clinical Trial Successes

Rebiotix was the first company to take this new category of biologic drug through the U.S. Food and Drug Administration, and as a result, the FDA granted Rebiotix lead product Fast Track, Orphan Drug, and Breakthrough Therapy status as well as allowing Rebiotix to conduct several clinical studies under its Investigational New Drug application. Rebiotix expects to be the first company to bring this new type of product to the market.

Global investment:

In April 2018, Rebiotix was sold to Ferring Pharmaceuticals, a major European pharmaceutical company headquarter in Switzerland, becoming a wholly owned subsidiary, maintaining its Minnesota facility and employees. The plan with Ferring is for Rebiotix to continue under its own name and to grow the business in Minnesota to become the microbiome center of excellence for the global franchise.