Interview: Mark Nawacki – President & CEO, Searchlight Pharma, Canada



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Mark Nawacki, CEO and co-founder of Searchlight Pharma, affirms the company's dedication to women's health through a modern approach to current market trends. He underlines the company's commitment to productive collaborations with healthcare professionals and industry partners and its aspiration to bring life-changing innovations to Canadian patients.

Mark, can you please introduce Searchlight Pharma to our readers?

Searchlight Pharma is a Canadian specialty pharmaceutical start-up that has been operational since 2015. Today, we number almost 20 staff in Canada including a national sales force, and have 15 products on the market. Our business model focuses on the acquisition, licensing and commercialization of late stage products, with a current concentration in the area of women's health. We bring prescription, diagnostic, medical device as well as OTC (over the counter) products to Canada, and we like to focus on specialty therapeutic areas. Through strategic partnerships we are committed to bringing products to the country that would otherwise not be available on the Canadian market, because the originator companies are not present here for various strategic reasons.

While women's health is our main therapeutic focus area currently, we are also active in urology, gastroenterology and pediatric OTCs, and remain open to opportunities for the evolution and expansion of our pipeline in terms of additional therapeutic areas. As a company, we are interested

in specialty areas in which we can apply our commercial expertise insights and make innovations available to the Canadian patients.

Recently Searchlight Pharma secured investments from Emerillon Capital and Fonds de Solidarité (FTQ). How will those investments contribute to the further growth of Searchlight?

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We are very excited about both of these strategic partners and their investments, as they will enable us to drive growth even faster. The pharmaceutical industry is one that requires rational and sustained long-term investments, which in turn are enabled by access to capital and financial resources. The investments by Emerillon Capital and FTQ provide us with the financial capacity and support that we need in order to be able to address opportunities with a mind set on sustainable value creation. We create value for our stakeholders when our customers see value in what we do. This in turn enables us to compete for assets that we think are interesting, and to operate on a significantly greater commercial scale.

The Canadian healthcare landscape is a fragmented one, posing challenges in access, pricing and reimbursement for instance. How do you navigate those challenges?

The management of the pricing and reimbursement landscape is challenging, and it has become increasingly difficult for the industry to operate as policies become tighter and less transparent. This goes directly against the requisite long-term mindset that healthcare policy development and execution needs, and creates additional stress given that the landscape is ever changing and lacking in predictability.

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On a personal level, as a system user myself, I am appreciative of affordable medicines in Canada and am very aware of the pressures presented by budget constraints and demographic changes in Canada. However, these pressures must not overshadow and distract us from the value and benefit realized by making healthcare innovations available to Canadian patients. With the challenges we face, and the pace and disruption posed by technological changes, the incentive for companies to establish and expand their operations in Canada has to be nurtured and increased by governments. The cost-competitiveness and attractiveness of Canada is an increasingly frequent subject of discussion with many existing and potential partners, and they all ask appropriate but tough questions regarding the benefit of bringing their products to the Canadian market given the

current pricing and reimbursement climate here.

You are mainly operating in the area of women's health. How competitive is this sector? Why is this space interesting to Searchlight Pharma?

The women's health space was deprioritized by the industry almost 20 years ago, following the landmark Women's Health Initiative study, whose findings are now being challenged and reconsidered on the basis of subsequent analysis. In any event, the larger multinational pharmaceutical players, in particular, shifted focus away from the needs of healthcare professionals in this therapeutic area and, more importantly, away from the needs of patients. In the wake of these decisions, smaller companies such as ours have been able to step in as meaningful players because we are willing to listen to and address the needs expressed by professionals and patients.

A second dimension is that women are typically the 'gate keepers' of all health-related decisions in the family. Therefore, women play a vital information gathering and transmission role in families, and represent an important link between pharmaceutical companies and the family unit.

Thirdly, as there are a limited number of specialists in this therapeutic area, it is possible for smaller commercial teams to adequately service the interests and needs of healthcare professionals. From a business perspective, it would be challenging for a company our size to maintain relationships with all general practitioners in Canada. But obstetricians and gynecologists, uro-gynecologists and other specialists in women's health, represent the key prescribers in this particular therapeutic area, and they are of a size and number that we can easily maintain great relationships with and reach ongoing.

Finally, Searchlight Pharma has also been fortunate as we operate with great products, that even though they may not be blockbusters, they are innovations that truly improve peoples' lives and wellness. And for such products, there is always a market and commercial opportunity.

Can you tell us more about your portfolio strategy?

Searchlight is a unique company, in that what drives our thinking from a business development and commercial perspective, is that we do not think about healthcare but rather about wellness. This slight nuance and change in definition is in response to our key observation and belief, namely that a fundamental shift in how people perceive, reflect about and address their own health has occurred over the past decade. Everybody wants to be at optimum health and wellness at all stages of their life, regardless of age, as demonstrated by the expansion of health-food stores and

natural health and homeopathy departments at drugs stores, where they are often bigger than the prescription segment. The shift also results in consumers and patients who are better informed and more demanding in their relationship with healthcare professionals. Instead of challenging and fighting this trend, Searchlight is embracing it and is actively working to build a product portfolio that matches it.

Our portfolio is composed of prescription, medical device, diagnostic and OTC products. In the area of women's health, we are very comfortable with consumer and patient choice, and believe that there is space for hormonal and non-hormonal treatments, and that both choices should be made available to the patient along with high quality information to facilitate that choice. Thus, although we started the company on the back of our current flagship product, Estragyn Vaginal Cream® which is a 100% estrone-based vaginal cream, we also offer non-hormonal options for women facing the same condition. In the area of contraception, we are in fact focusing first and foremost on non-hormonal approaches as we build on our #1 position in non-hormonal intrauterine devices (IUDs). Since our acquisition of the Canadian business of Besins Healthcare in mid-2016, we have invested heavily in the Mona Lisa® family of non-hormonal IUDs, building it quickly into the most prescribed non-hormonal IUD in Canada. This reflects our philosophy on portfolio strategy and our readiness to bring wellness innovations to Canadians in response to the evolving trends in society.

What can we expect from Searchlight's pipeline over the coming years?

In future we will remain committed to identify those products that will make a difference in improving people's quality of life. Our pipeline is very exciting, it holds more innovations in women's health including a surgical device for stress urinary incontinence, to highlight just one example, that will provide a meaningful evidence-based alternative to surgeries involving meshes and slings. Such product introductions will allow us to expand on our relationships with urologists and uro-gynecologists. Additional product introductions that will enhance our portfolio can be expected within the coming 18 to 24 months.

Searchlight Pharma views partnerships as long-term commitments as well as a badge of honor. What is your partnership strategy?

Searchlight is very lucky to have the partners that we do. Some of our strategic partners have been with us from the start, and our bond is one of mutual loyalty, an essential dimension as we are entrusted with their products in Canada.

As a company, Searchlight has demonstrated it can 'walk the talk', but this is something you have to be given the chance to demonstrate first. Our current partners have really given us the benefit

of the doubt, and we are grateful for the support shown. Without our partners' commitment and trust, we would not have been able to deliver our services as we do today.

In terms of strategic approach, we love to work with creative, driven, passionate partners who believe in their products, and partners who, like us, believe that effective healthcare delivery cannot occur without dialogue between healthcare professionals and industry. Communication, transparency and the sharing of best practices are what will ensure results in this incredibly challenging environment.

At Searchlight, we bring the experience and fact-based approach required for productive advancements, and, as a small player, we are quick to adjust, while at the same time being comfortable tying ourselves to efforts and commitments.

What will be Searchlight Pharma's key priorities over the coming years?

We want to grow as we are driven by the ambition of continuing to deliver good medicines at good value. We will be expanding our portfolio and developing our business to reach a critical size, allowing us to maintain excellence in our activities and the means with which to address demographic and economic challenges in a constructive way long term.

We will further ensure that we remain best in class in our understanding of our industry and healthcare system as well as how they are likely to evolve, in order to make the right choices about when and how to introduce novel products to the Canadian market.

What drove you to co-found Searchlight Pharma after having spent a significant amount of your career in big pharma?

I have been in the pharmaceutical industry for roughly 20 years now. Back in 2014, I was going through one of those life-changing moments that corporate acquisitions represent to career paths. This was the third such instance for me personally, but this this third time I was lucky enough to be in a personal situation where I had more time and flexibility to truly reflect and think about what I wanted to do differently moving forward. The conclusion I reached after much reflection and soul-searching was that I really love what I do. So, I went on a mission to figure out how I could continue to do what I love in a way that could challenge me in a different and fresh way, and that would enable me to grow both personally and professionally. The way I see it, those of us that get to work in this industry are truly lucky because our industry is fulfilling and rewarding despite the challenges it increasingly faces. For me it was an easy choice because I was able to rediscover how passionate I am about finding, introducing and promoting products that make people live better,

healthier and happier lives. Moreover, founding Searchlight also allowed me to live my dream to become an entrepreneur.

As an entrepreneur, what piece of advice would you give to someone considering founding their own company in Canada?

I would advise them to listen carefully when speaking to other entrepreneurs and to think critically about how to make their own business dreams a reality. The goal is not dissuasion, but attentiveness to the fact that entrepreneurship, while exciting and fun, is all-consuming and difficult. Indeed, it is more difficult and represents much, much more work than people tend to think. So those who have already taken the step and ‘leap of faith’ know what they are talking about when they ask and challenge you whether you are you sure about your decision to commit to this step, because it is a huge commitment. Listen, reflect, be ready for the challenge, because once launched, you’re in it for the long run and changing gears is difficult.

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