

EP.57 - Charles Andres and Christian Barrow FINAL

Narrator: You're listening to *BioTalk* with Rich Bendis, the only podcast focused on the BioHealth Capital Region. Each episode, we'll talk to leaders in the industry to break down the biggest topics happening today in BioHealth.

Rich Bendis: Hi, this is Rich Bendis. I'm your host for *BioTalk*, and also the CEO of BioHealth Innovation, an intermediary in the BioHealth Capital Region, which is Maryland, D.C., and Virginia. And what we're all about is trying to help early stage or existing BioHealth companies grow their businesses within what we think is one of the most vibrant and growing BioHealth regions in the United States and in the world. And we have two experts who know the region well, as well as the industry, who have both been on *BioTalk* in the past. But we think it's appropriate based on what they do in their lives every day to get an update from them on their new normal, as well as they're strategic partners for us for what we have been holding in the October timeframe, a BioHealth Capital Region Investment Conference, which was scheduled to be October 20th and 21st at AstraZeneca's facility in Gaithersburg.

0:01:16 But as we all know, everything is going virtual these days, so during this discussion, we're going to talk a little bit about what the new normal is for our conference for investors as well as companies looking for money. So I think we're going to have a very interesting *BioTalk* podcast this morning with our two guests. I'm going to let them introduce themselves to you first, and their companies. And first we'll start with Chris Barrow, who is the Executive Director, Life Sciences, for J.P. Morgan. Some of you may have heard of J.P. Morgan in the past.

Christian Barrow: [laugh]

Rich Bendis: Chris has been a good partner to the region and to all of us. And Chris, welcome to *BioTalk*.

Christian Barrow: Thanks, Rich. Glad to be here, again. Glad to see your smiling face on Zoom.

Rich Bendis: It's nice to see you on Zoom.

0:02:00

I'm broadcasting from South Jersey, getting away from Philadelphia, where I have a place, because there's less people down here. Where are you broadcasting from, Chris?

Christian Barrow:

I'm in the burbs of Philly, in a place called Doylestown, so about 45 minutes outside of Philly. I have not been able to enjoy the mayhem that has been going on in Center City, but look forward to getting through this pandemic and reconnecting with my buddies in the BioHealth Region. So, J.P. Morgan. Everybody knows the investment bank, but I lead the corporate banking efforts in the Mid-Atlantic, and specifically the BioHealth Region. We're focusing on emerging companies, companies that are translating out of universities to companies that have market caps of \$2 million. And our goal really is to be connectors. So this *BioTalk* connectivity with both Rich and Charlie, both good friends, we're just trying to develop the ecosystem, grow the ecosystem, and hopefully get beyond being number three, and in 2023, be number one or number two. So, glad to be here.

0:03:02

Rich Bendis:

I like that intro, Chris. We're all on the same page you are. And also with us is Charlie Andres, as Chris mentioned. He's the senior counsel now, recently promoted, with Wilson Sonsini. Congratulations on your promotion, Charlie.

Charles Andres:

Thank you, Rich.

Rich Bendis:

A little bit of an intro on you and your company for everybody?

Charles Andres:

Sure, yeah. So first of all, it's good to reconnect with you and to reconnect with Chris. It'll be nice when we can all actually—this kind of dies down and we can go out and get a bite to eat. So Wilson, as many of you know, is perhaps the number one firm in the country and perhaps the world in working with life science companies in the early stage, so that would be anywhere from pre-formation all the way through to, say, an IPO or a merger. What I do, generally—I wear several hats. I run the patent group in the D.C. office of Wilson Sonsini. I practice in the FDA and transactional spaces as well.

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But what I really do, I think, is sort of what Chris mentioned earlier; I'm pretty good at connecting people. So for example, when we have a

company that needs a bank, I'll call on Chris. When we have a company that needs EIR and perhaps other types of support, I'll call on you, Rich. And then also just introducing companies to investors, which brings us to the forum that we're going to have this fall in I think a very different kind of format, which is sort of exciting.

Rich Bendis: Thank you, Charlie. And both of you skipped over a little bit about your personal backgrounds. I think the listeners would like that as well. So before I go back and talk about the future, Charlie, give a little bit about your personal background and how you ended up doing what you're doing. And then I'm going to go to Chris. Now, he gets time to prep for this, Charlie, and you....

Christian Barrow: [laugh] Thank you, Rich. [laugh]

Rich Bendis: [laugh]

Charles Andres: So Rich, I have a PhD that I got back when dinosaurs roamed the Earth, and I spent about ten years at some no-name pharma company called Bristol-Myers Squibb.

0:05:07 And after about a decade at Bristol, I decided I wanted to make a transition, so I moved down to the BioHealth Capital Region and went to law school and I worked during the day, got my JD. I've built and sold companies and portfolios now for approaching \$5 billion. Last year it was closer to four. Funded numerous companies in different stages, so anywhere from seed to like C or D round. And I have three FDA approved drugs under my belt. So that's a little bit of a background.

Rich Bendis: Thank you. Also, a little bit of a sales promotion there.

Charles Andres: [laugh] Well, if you want to build a successful company and get your drug approved, it never hurts to come to us.

Rich Bendis: OK, very good. Thanks, Charlie. And then, Chris, a little bit about your background?

Christian Barrow: Originally grew up in Montreal, went to McGill, got a bachelor's degree in biology. Not a PhD like Charlie, but a bachelor's degree in biology.

0:06:06 Then did a master's of accounting, worked for EY, and then I've been in the banking services business for the last 20 years. Had the grace and

fortune to work across the country in the United States. I've been in San Diego, Seattle, and now my last stop here has been in Philly. And my current role has been an amalgamation of all my previous experience. It allows me to combine what I learned many moons ago in biology but along with the financial services. So I've been leading this life science practice for J.P. Morgan for the last five years. And I count myself as very fortunate. I get to work with companies that are developing or creating drugs or devices or trying to help mankind, but also combined with the financial services, where we try to help them raise capital or move their programs along. So don't tell my bosses, but I appreciate doing my job, and I get up every day with a big smile and see what we can achieve.

0:07:07 And if you look at what's going on currently with the COVID-19, Rich, you can list all the companies that are doing great things in the BioHealth Capital Region. If you look at Emergent and Novavax, top of mind in terms of the capital raising and what they're doing. I mean, who wouldn't want to do what we're doing, right? So, I count my blessings.

Rich Bendis: I think, Chris, the cat's out of the bag, so if your bosses don't know today, they will after this airs, about—

Christian Barrow: [laugh]

Rich Bendis: —you're willing to work for free in this industry.

Christian Barrow: I don't know about that. [laugh] I'll work for equity. [laugh]

Rich Bendis: OK, I gotcha.

Christian Barrow: [laugh]

Rich Bendis: But I think the other thing is I talk to a lot of people around the world, the United States, and in the region, how fortunate we are to be in this industry today. If you look at a lot of the people who are in many other industries, whether it's hospitality, retail, industrial, manufacturing, but it's not associated with life sciences or BioHealth, a lot of them are struggling right now.

0:08:03 But if you look at how vibrant our industry is and how critical it is to come up with solutions, whether it's therapeutics, vaccines, diagnostics for COVID-19 and other dreaded diseases, we're really fortunate. And it's easy for all of us to get up in the morning because we know, at the end of

the day, we might be able to be helping a company that can do good that helps other people. So I would imagine you all feel the same way.

Christian Barrow: Just jumping a little ahead, you look at what's going on in our space—and people always ask me, “What's going on with the public markets? What's going on? Can companies still raise capital?” And the answer is an absolute yes. You look at—good example is the number of follow-ons that have happened year to date. As of June 1st, there have been 70 follow-ons in the life science space, generating approximately \$12 billion. Last year, there were only 131 the whole year, generating \$21 billions of capital raised. So the markets are wide open.

0:09:01 Charlie is going to be able to confirm this as well, but the VCs continue to invest in life science companies. The one thing that's taking a bit of delays is clinical trials, which is not surprising. Getting patients enrolled is tough. But overall, our space is doing really well and continues to march forward.

Rich Bendis: Thank you.

Charles Andres: I agree with that, Chris. In the last three weeks, we just had one client who raised \$6 million, another client who's raising ten, and a third client who recently raised 35 and is now going back for another 50. So we're definitely seeing that. I think initially we saw a pullback a little bit, like in February, when people were sort of not really certain where this was going to go. And then, Rich, as you pointed out, I think people are realizing just what a tremendous asset to have these kinds of companies that can step in.

0:10:00 I've never seen, for example, vaccine research move as fast as it's moving now. The idea that you're already in clinical trials with different vaccines sort of maybe three months after the epidemic or pandemic became news is absolutely amazing. And so I also think it has sort of caused a bit of a reevaluation. I think for a while, pharma was being made to be sometimes the bad guy in national dialogues. And I think people are changing their perspectives on that.

Rich Bendis: Let's talk a little bit about the new normal in both of your worlds. One is the investment banking world, and the other is in the legal advisory world. But Chris, talk a little bit about how you do business today versus the way you used to, and also what implications does that have for

companies who are looking for banking advice and looking for capital right now. And I think there's a different dynamic. There might be people who are established looking for capital that are well-known. Then you have the startups or entrepreneurs who are just looking out for their first formal traunch right now that might be in a different position. So let's talk about the positions with Chris and Charlie here.

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Christian Barrow: I could not agree with you more on that front. I look back—when we first went on work from home 14 weeks ago, I was going to say, “Wow, this is going to be crazy. Business is going to be quiet. I'm going to be looking for things to do.” That has been the absolute opposite, complete opposite. I've been busy since the middle of March. What I worry about, and to your point, is those early stage companies looking for funding. They missed out on going to your forum in April and that connectivity of just networking. They know Charlie, and Charlie is talking to somebody, and all of a sudden he says, “Chris, come here. I want to introduce you to somebody.” Next thing, we have a dialogue, and there's a conversation. It's the same thing that you did with me at our investor conference. Somebody who hasn't met with J.P. Morgan, all of a sudden you say, “Hey, let's get a conversation started.” So I worry about that. And you and myself and Charlie are trying to figure out ways to get companies back in front of investors.

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So any investors out there have to figure out how to lean on their current network. For us, we've been super busy. What I worry about is 2021, to be honest with you. Because there's enough momentum right now to carry us and keep us busy with our current prospects and our current clients, people we know. It's those new companies that are emerging that we're not aware of, and we're not out talking to different people in the market, and we miss that. So I'm open to suggestions. [laugh]

Rich Bendis: Well, we may have a few, but we'll talk about that a little bit later. Charlie, what about you guys with the new normal here?

Charles Andres: Like Chris was saying, I've never been busier. I think you and I were talking about this last week. Law firms like you to work a certain amount of time. I hit my midyear target at the end of April. I've got our HR folks

reaching out and saying, “We've never seen somebody in your group hit kind of the hours that you're hitting. Absolutely amazing.”

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And I think part of it is—

Rich Bendis:

I hear a partnership coming, Charlie.

Charles Andres:

I like that, Rich. Let's stay positive. I think part of it is, there could be a tradeoff, like Chris was saying. So in other words, I don't have to commute, and I'm not spending time with clients and potential new clients going to lunch, going to dinner. I'm not on planes. Like last year, I logged probably 70 or 80,000 air miles. I don't see a slowdown. But what I am seeing, I think, is you're starting to see non-traditional funding come in, which I think is a good thing. So for example, I've got several clients right now who are in front of Walmart. Walmart is, as you know, moving into the healthcare space. They have these minute clinics and things like that. And we're starting to see interest in investment from sectors that we wouldn't traditionally see.

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So if anything, I think opportunities for funding are growing. And really for all of us as connectors, our job, kind of, is to be aware of these kinds of things, and then when the opportunity is right, to put people in touch with each other.

Christian Barrow:

Just following up on Charlie, about six weeks ago, there was a foundation out of Pittsburgh that reached out and said, “Hey. We traditionally make investments in institutions, and they invest the money for us in life sciences. We want to make a direct investment into companies that are doing something with COVID-19.” So to Charlie's point, these funding sources are coming out of different places, and we would be able to make introductions and get them in front of different sorts of companies. But he's absolutely right. These funding sources are coming from different places, and it's a matter for you, myself, and Charlie to figure out how best to position ourselves and how to help our companies get in front of those funding sources.

Charles Andres:

And Rich, this goes to your point earlier. Earlier in the talk, you mentioned that there are some industries, maybe like the hospitality industry, where people are going through harder times right now.

0:15:06 But I think people are also recognizing that generally the biotech industry represents an investment opportunity that perhaps is a little bit more immune to things like the business cycle, and also things like pandemics.

Rich Bendis: You're right. I think when you talk about non-traditional, one of the things we've seen is a spike of small businesses right now, or medium-sized businesses, with all the new COVID-19 grant money that's available. We've come in contact and we're personally assisting, just in the last two weeks, ten companies that are going after COVID-19 grant monies. And a lot of these people have never gone after federal grants before, but it creates a new funding source for them, whether its NIH, NIAID, BARDA, HHS, DOD, NSF. Everybody seems to have pockets of money right now, and it's for those who are able to respond quickly that have quality technology that are those that are going to benefit from that.

0:16:08 So this is just a natural extension of our SBIR and non-dilutive funding program that BHI has. But we've found that there's just a much greater demand for people who have expertise to assist people who have never gone after that type of funding before. And again, if that foundation in Pittsburgh is looking for some companies, we happen to have a few in the BioHealth Capital Region and would be glad to send to you.

Christian Barrow: I did introduce him to some of the companies in the BioHealth Region. And a plug for you—I reached out to you to help a couple of my companies in Pittsburgh who were looking for that type of funding—the COVID-19 specific type funding. So, thank you.

Rich Bendis: You're welcome. The other thing that's going on this week—all three of us would normally be in San Diego this week. It's the International Biotechnology Conference. And then before the International Bio [sp] show, RESI, which a lot of people know about, puts on investor conferences for partnering, for people looking for money as well as the investors who are looking for quality investments.

0:17:08 And then you have the partnering to bio. So this is a busy week. I have team members, and I'm sure you guys are participating as well, in these meetings. I was just on a call with somebody from London before I got on with you, that we had met through RESI before. So we're seeing that even though we're going to go to a virtual conference in October, we're getting to learn from other people who are having to do this earlier than

us, and actually making some success out of it. I'd like to get your feelings about sort of these RESI bio [sp] environments that we're in right now, which we used to do personally, but now we're all participating in from a Zoom perspective.

Charles Andres: I think one thing that could be really interesting and actually beneficial for our conference in the fall is that a barrier to attend the conference has always been travel. So if somebody is coming from the West Coast, or somebody is coming in from the UK, if you've got good tailwinds it's a five-hour flight from the West Coast.

0:18:05 It's maybe seven and a half hours, for example, from UK. One of the nice things about that is because we're going to go virtual, that barrier to participation is removed. And so that means potentially we can get more companies and more investors. And it goes back to what we were saying earlier. I have a lot more time, for example, because I am not traveling. I'm not going to lunches. I'm not going to dinner. And so I think in a situation like this, what you do is you look for the silver lining. You look for the advantages, and then you capitalize on those. Chris, what do you think?

Christian Barrow: I think you're absolutely spot-on. And you and myself and Rich have been talking about this conference, and figuring out how the best way to do it. I got off the phone last time after talking to you guys, and that same point you made, Charlie, about no travel and getting access probably to more VCs, and all these lights went off in my head—"Wow, I wonder if Rich would mind if I brought in all these other companies outside the region."

0:19:05 Just because if you get access to more VCs, guess what? Companies are going to want to sit down in front of them. So it may be hard for us to go back to the old way of meeting in person if you can get the VCs to meet with them. Especially if it's a first-time conversation, it's a win situation. So I think we'll be pleasantly surprised at the number of VCs we can attract. And I have no doubt that we can bring in quality companies from the region and beyond, if we want.

Rich Bendis: I'm speaking with Chris Barrow with J.P. Morgan and Charlie Andres with Wilson Sonsini, who are our partners in putting together what we hope to be our Third Annual BioHealth Capital Investment Conference, which

will be October 19th through 21st. We normally would say at AstraZeneca in Gaithersburg, but it will not; It's going to be virtual. And last year and the prior year, we basically had identified a number of venture capital firms, strategic partners, or investors, family offices, outside of our region, that were restricted because of conflicts or travel problems that they had.

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To pick up from what both of you were saying, I think we're going to be able to increase the quality and number of investors for this conference, as well as potentially geographically expand the base of companies that we'll be able to attract to this conference. So based on what we're experiencing with some of these other Bio [sp] and RESI events, which have been very productive for us, I think we can put on a barn burner event. We'll talk about this more in our planning committee next week. So for those of you who will be listening to this podcast that fit into either the investor category or the companies looking for money, put down October 19th through 21st as a save your date. Because the first day is going to be the BioHealth Capital Regional Forum, which we normally have in April, which they've discussed, where we're going to have fantastic speakers talking about content.

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We're only gonna do a day on that, and then devote two days to the partnering meetings between the investors and companies. So just a little promo before we continue on with this dialogue. And we also want to thank all of the other people who help put that on, which has made it a successful event. Let's talk a little bit about the future right now. You've both talked about—you're both going strong, J.P. Morgan, Wilson Sonsini. Existing clients, new clients. And what are you seeing from a forecast from a corporate perspective, Chris and Charlie? What does J.P. Morgan nationally and globally predict now for what's going to be happening in the markets? What's Wilson Sonsini seeing nationally and globally based on the business that we're talking about? We've been focused a little bit more about what affects us personally, but what are we seeing as the projection or upcoming trends coming that you're hearing from your corporate leaders?

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Christian Barrow:

I'll take a stab at it, quickly. In terms of the public markets, we had forecasted prior to the COVID-19, that if you wanted to do an IPO, you

needed to get it done probably before end of June, early July, just because this is an election season.

Rich Bendis: Really? This is an election season?

Christian Barrow: [laugh] Doesn't feel like it, does it?

Rich Bendis: I haven't noticed that at all!

Christian Barrow: [laugh] So that thesis still remains. We still believe that post-election, regardless what party is in power, that there's going to be demand for IPOs, and specifically in the first quarter—or second quarter of next year—the demand will be even higher. So public markets are still open. We feel on a VC front that they will continue to slowly open. More and more investments will be coming through. The one thing that we're struggling with is what happens to clinical trials. As I mentioned before, there have been delays. What does that do? What's the impact to the companies? What does that impact to their cash flow?

0:23:00 And how do they continue to make progress if they're not able to continue to enroll? So all positive, just a little bit of delays in going forward.

Rich Bendis: Charlie, from Wilson?

Charles Andres: Rich, a couple of things I'll add on to that. The first is I think we're expecting to see a shift. We're expecting to see more sort of U.S. market IPOs, especially with the turmoil that's going on in Hong Kong right now. I think people are looking at that and saying, "We just don't know what's going to happen here. And so if we have a choice, we're going to stay on a U.S. exchange." NASDAQ, for example. The other thing about the clinical trials—and this is again maybe another silver lining—less than 3% of all people in the U.S. ever participate in a clinical trial. And a lot of it has to do with sort of the hassle of being in a clinical trial. You've got to get in the car. You've got to go to the medical center. You've got to get evaluated. You've got to repeat. With sort of FDA's relaxing parameters on telemedicine, we may actually, going out on a limb here, but we actually may see over the next few months an increase in clinical trial participation, just because people can do it more from home, and so it lowers the barrier to entry.

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And so we're actually hopeful that we'll see those numbers pop.

Rich Bendis:

That's very interesting. So a little contrast there, from what Chris is worried about, from the clinicals. And you're seeing that there might be a pop. So let's talk corporately about your firms, a little bit about this pandemic. Montgomery County, Maryland, is where we're located. Rockville is our headquarters. It was really sort of one of the epicenters in the state of Maryland, as a hot spot. Philadelphia, where Chris is, has been a hot spot. Northern Virginia, where you are, Charlie. We didn't tell the listeners you're broadcasting from, I think, Northern Virginia, today, correct?

Charles Andres:

Alexandria.

Rich Bendis:

Alexandria. So D.C. was a hot spot. I just read or saw today there's 20 states where we have increases in the number of cases that are emerging, and hospitalization. So what is the corporate perspective from J.P. Morgan and Wilson Sonsini as it relates to employees and office work at home, and what does the future look like?

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And then also, both of you put on investor conferences. Wilson Sonsini has one in Texas, one in San Francisco, and one in Boston, in addition to what we do in our region down here, Charlie. And then Chris, of course, has a small one out in January, out in San Francisco. So tell me a little bit about what the forecast is for back to work, and then also about the conferences both of you participate in.

Charles Andres:

Rich, let me jump in on this one. I'm going to give a shameless plug to Wilson here. Some of our listeners might know Wilson has a software company called SixFifty. It's based in Utah. And we've put together actually a package to help employers transition employees back to work.

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The package is under \$10,000. It can be very helpful, in two ways. Making certain that the transition is as safe as possible, but also minimizing, perhaps, the risk of litigation. I think it's not clear to us exactly what's going to happen, other than we think that the transition will be slow, that it will be staged, that employees will probably come back to work in cohorts and not all at once. The other thing that's not clear to us, and I'd love to get Chris's perspective on this, is there are at least some employers who are rethinking their commercial real estate footprint, and saying, "Hey, we've got all these folks out there, and they're working

from home, and they're not using our utilities. And they're more productive than ever. Do we need to pay for all of the square footage that we're currently leasing?" What do you think, Chris?

Christian Barrow: Very interesting point.

0:27:00 I think from J.P. Morgan's standpoint, there is no set time when we go back to work, go back to the office. There has been a lot of research and discussion, and when and if we go back, what does that look like, at least initially and going forward. And frankly—I mean, this is just Chris Barrow speaking; this is not J.P. Morgan speaking—but Chris Barrow is pretty effective at home. The reason I would go into the office is maybe if there's a meeting with a manager, or we have someone coming—a client or prospect coming to the office. What I worry about is not for me personally, but it's those junior associates who are just starting their career. They don't have the benefit of getting up and talking to Charlie, or hearing Charlie talk to different clients and prospects, or even different people within the firm. Same thing for you, Rich. You've got this vast experience. You're autonomous, for the most part. You don't need to go and rely on somebody to help you do what you do well. So J.P. Morgan at some point will get the team back in the office, and similar to Wilson Sonsini, it will be staged.

0:28:05 And they have to rethink their footprint. Because we went to a WeWork style type of office where you had cubicles, and it was like a hotel, so if you were there, you had this—you could take whatever cubicle you want. Obviously that changes now. And so what the future looks like is anyone's guess. What I worry about, though, is the big conference we're supposed to have in 2021. There has been no discussion of cancelling or delaying it. Just don't know how you get 40 to 80,000 people into San Francisco and say, "Take your chances. You're going to a reception." Or go to Charlie's reception where there's, what, Charlie, like 2,000, 3,000 people showing up at the museum? How do you do that and still be safe? So a lot of questions to be answered, still.

Rich Bendis: I think time will tell for all of us. But it was funny—I just did a fireside chat with Joel Marcus, the founder and CEO of Alexandria Real Estate last week. As a matter of fact it was—last week—with the Association for University Research Parks BIO Health Conference.

0:29:05 And contrasted to traditional commercial real estate, of course they've got 30 million square feet of wet lab space in the seven top markets in the United States. And Joel was telling me basically they collected 99.2% of their rents in the month of—where are we—May. So when you think about that and talk about how fortunate we are to be in this industry and how niche-focused they are, they are so fortunate to have decided that that's the niche that they were going to be in long-term. The other thing that's happening also is that there is a demand growing for additional wet lab space right now. There are some new spec buildings which Alexandria is building, which they have not been in the spec business. And the big challenge I'm seeing for our industry is small wet lab space. There's a lot more companies emerging right now that can't afford the big spaces.

0:30:00 They need 200 to 500 square feet, a bench to start. There just aren't a lot of those places available. We have an incubator in Germantown. It's 100% full with a waiting list, which is somewhat subsidized by the county. So I think that's going to be another dynamic. I think we're getting a spark in this industry. We're going to have some new entrants. There's going to be new demands. And I don't know if you're seeing this in other areas where you guys are focusing. Are you seeing anything related to sort of wet lab and research space needs within your market, Chris, or yours, Charlie?

Charles Andres: Rich, we're seeing a couple of things. And you raise some really interesting points. The first is many of these companies, some of them can be competitors, and they can occupy like the same facility. And so one of the things that's going right now are competitors are looking and seeing who's going into lab and who's not, and saying to themselves, "If I don't see my competitor down the hall going into lab, something's probably going wrong with them."

0:31:03 And so it's sort of a form of corporate intelligence. I think another interesting thing, Rich—and we've talked about this in the past—is maybe the idea of sort of scheduling wet lab space. So you have a sign-up. People pay by the hour for the wet lab space. It gives them sort of a bridge to initially having lab space, which is really important, if nothing else, for intellectual property. And then as they start to raise money, they can transition from sort of renting lab space by the hour to moving into,

say, full-time into the Germantown accelerator, and then eventually maybe moving into Alexandria-type space. So that's one thing. The other thing, Rich, is there's better recognition, I think, that supply chains that all sort of ultimately link back to China—people are becoming less comfortable with that. And so I suspect we're going to see a lot of manufacturing in the personal protective equipment and the drug/device space move back to the U.S.

0:32:11 And that will have a number of economic implications that I am probably not even qualified to comment on. So maybe I'll just throw that over the fence to Chris and to you.

Christian Barrow: On the wet lab space, pre-COVID, it was a huge issue. All the markets I cover, every city I cover, it is always a demand. And you see independent new players trying to fill that space. The question always becomes, is there enough company creation to continue to soak up the demand? And I think there is. So I think Alexandria is well positioned—is going to be well positioned for a while. The one other area that we're seeing more and more and that we're getting more inbound now, as Charlie and Rich, you talked about a little before, is telehealth. New companies are coming out with new healthcare IT. I think that is going to be—you hear about cell and gene therapy being at the forefront; I think healthcare IT is going to get a big push as a result of this.

0:33:07 And you're going to see—especially since the doctors now have been forced to participate in this new regime and new methodology, that there's going to be more acceptance, and you're going to see more companies coming out with technologies that are going to continue to drive that space.

Charles Andres: And that, in turn, as we talked about earlier, should help to populate clinical trials.

Rich Bendis: That's why you guys complement each other. You play off of each other. Charlie, you mentioned we had discussed this before, but you and I have never discussed renting lab space by the hour or by the day. To be honest with you, I think that's a concept I don't know where it exists, because I haven't seen it in our region, but I think there may be a role for that. We all know the challenge—developing wet lab space is extremely expensive, especially to have it sit there and not know whether or not anybody is

going to pay for it. But this concept of sharing, I know that BeneVir—all of us know Matt Mulvey—from NYU, moved from New York City down to this area—he went to Carol Nacy’s business, which is Sequella, and she gave him a bench in their lab, and that’s how he started with BeneVir down in Montgomery County.

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So I know Bill Hearl at Immunomic Therapeutics, who just raised 61 million, was just on one of our conference calls last week, and he basically said, “I have some additional lab space right now. If anybody has anybody that’s in a similar research area as we’re in, we’d love to bring somebody in to our space.” So I think a couple concepts there. Existing businesses that might have some excess capacity to help entrepreneurs. And second of all, I really like this idea of the rental by the hour and the day. Just need to find out who’s interested to take that on and has the capacity to do it. It’s sort of like a Cambridge Innovation Center, CIC concept that they have up in Cambridge. But yet they make longer-term commitments to that.

0:35:01

So thank you for that dynamic. It’s an interesting discussion point I’ve never had before, Charlie.

Charles Andres:

So Rich, there’s Doug Crawford out in San Francisco, I think. I might be—I’m happy to give Doug credit for this. I think Doug pioneered this at QB3 a few years ago. But Rich, what I like about it, especially from maybe your perspective, is we’re all always sort of deal-sourcing. I know that VCs would use that term, but we’re all looking for the next successful company. And to some degree, that’s a matter of shots on goal. So the idea that from your perspective, if you can set aside a little bit of space for this, your ability to sort of kick the tires on companies and deal-source goes way up, because maybe instead of having, I don’t know, 15 companies at any one time, you have 14, but then you’ve got another 15 on top of that who are renting space by the hour. The other thing is it promotes efficient use of resources.

0:36:01

So if you’ve got centrifuges and freezers and other things that people might use, then everybody doesn’t at least initially have to go out and buy that equipment individually.

Rich Bendis:

Yeah, I think the key is if we didn’t have a pandemic, it would make it easier, because of cross-contamination and different people going into

each other's labs. But the concept still has viability, maybe post-COVID, more than during COVID. But I like that. We're coming close to the close of this podcast, so I'm going to let all of you have your last words. And we will do this again, for sure, as we continue on. Chris, any last words? And this is Chris Barrow, who's Executive Director for Life Sciences at J.P. Morgan. Chris, last words for this *BioTalk* podcast?

Christian Barrow: I think the key elements that we've talked about today is one, we're fortunate to be in this industry. Two, that the industry is still strong and continues to push forward. And three, that the BioHealth Capital Region plays a big role in all that's going on. Just look what's going on with COVID-19 and the number of companies that have been at the forefront of developing the vaccine or manufacturing capacity.

0:37:12 So I think all of us are fortunate to be working and living in this space, and that the key is for all of us to continue to be connected to each other, and continue to help and foster the region.

Rich Bendis: Thank you for your partnership, Chris.

Christian Barrow: Oh, thank you.

Rich Bendis: Charlie?

Charles Andres: So, Rich, just a couple of things. I'm just going to incorporate everything that Chris just said, so we don't have to buy the same real estate twice.

Christian Barrow: [laugh]

Charles Andres: I think the first thing, Rich, is earlier in the conversation, we were talking about sort of the BioHealth Capital Region becoming more prominent in the industry. I think COVID is going to help that, in two ways. The first is, it's bringing in more funding and more infrastructure, which will bring in more scientists and more companies. The second is that people are now recognizing that perhaps there are benefits to not living in one of, I don't know, a thousand apartments that are stacked on top of each other in places like San Francisco and New York City.

0:38:11 And so I think the region also stands to benefit from that. And then last of all, Rich, we'd like to thank you for the leadership that you're showing during the pandemic. I think you've been great in keeping people

connected, in bringing kind of the latest sort of innovations and showcasing those. So thank you for that.

Rich Bendis: Thank you, Charlie. That is a well-paid testimonial from you.

Christian Barrow: [laugh]

Rich Bendis: This has been an excellent *BioTalk* with Chris and Charlie, and it also points out the strengths of the BioHealth Capital Region. We discussed 32 companies in this region all involved in COVID-19 related activities. Having the FDA with their accelerated processes in place. The great NIH with all of their scientists and researchers working on COVID-19 and this pandemic.

0:39:03 And even CMS, with giving some approvals for what would be new diagnostic vaccines or therapeutics in the future. So I think that Charlie and Chris really give us a great partnership to build upon for our Third Annual BioCapital [sp] Investment Conference in October, and we hope that all of you will save the date for that event. And then please tune in again for the next *BioTalk* when we'll have some other BioHealth Capital Regional leaders for you to listen to. Thank you.

Narrator: Thanks for listening to *BioTalk* with Rich Bendis.

End of recording