EP.144 – Matt Tremblay – Blackbird Laboratories

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*. We have some exciting news to talk about on this segment of *BioTalk* this week. We have a brand new $100 million fund that is merging in the BioHealth Capital Region, specifically in the Baltimore area. We have the manager of that fund with Blackbird Laboratories, Matt Tremblay, who is actually the CEO of Blackbird Laboratories with us on *BioTalk* today. We're excited to have him here. There hasn't been that much publicity about it until the last couple weeks, so we're going to let all the listeners know about this brand new funding vehicle, which is quite welcome in the Baltimore area. Matt, thank you for joining *BioTalk* today.

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Matt Tremblay: Absolutely, Rich. Happy to be here, happy to talk about this, and excited to be doing something impactful for the region.

Rich Bendis: We need impact, and you had to come all the way from California to give us some new impact, Matt. We'll talk, the listeners will hear about your background, and that's a good way to get into the introduction. Since you're somewhat new to the region and a lot of people don't know you yet, other than the people you've been interacting with related to Blackbird Labs, why don't you do a little self-introduction and talk about how you got to where you are today?

Matt Tremblay: Sure, I'm happy to do that, Rich. I am a Massachusetts native. I grew up and went to college there. I spent five years in New York as a chemist, so I went to the Department of Chemistry at Columbia University and studied how custom-made organic molecules interact with living systems, particularly through their fluorescence properties. I went out to California to work at the Scripps Research Institute to then learn a bit more about how those types of molecules could be used for therapeutic purposes.

0:02:07 I ended up working with Peter Schultz, who's the now-president of Scripps Research Institute, but at the time was a faculty member. We did some work in therapeutics for metabolic diseases including type 1

diabetes. I spent a few years at Novartis in San Diego, and then relevant to the Blackbird story, what Pete Schultz and I did in 2012 was create an institute called Calibr, the California Institute for Biomedical Research, although it now just goes by the acronym Calibr. This was a unique business model, at the time, to try to accelerate the translation of academic research findings that had therapeutic potential and accelerate the creation of commercial opportunities from that research.

0:03:00 Calibr was at the time an independent nonprofit institution that was set up essentially like a biotech company in terms of the people that it hired and the way that it managed its capital. But it was a nonprofit, so it was funded from alternative sources. We had a lot of funding from big pharma companies, through collaborations. We had funding from the Gates Foundation, Wellcome Trust, and that allowed us over about 10 years, we created a portfolio compounds, we put about six molecules into the clinic. I think we have amassed $300 to $400 million of funding for that, and the unique business model was that as those therapeutic assets created value and we partnered them with big pharma, we reinvested those dollars into creating more assets, so it was an evergreen vehicle for academic translation. Then I could talk more about that story at some point. We merged that with the Scripps Research Institute to make it more effective and increase its scale, and I became the chief operating officer of the combined institutes.

0:04:06 At that point, Rich, I was tapped by the Bisciotti family office, Steve Bisciotti, the owner of the Ravens, to help create a similar model in Baltimore, backed by their family office and with a core partnership with Johns Hopkins University and University of Maryland, Baltimore, but possibly extending to other academic institutions as a partner. I can get into some of the nuances of the differences of the business model, but fundamentally, what we're trying to do is catalyze or accelerate the translation of exciting academic technologies that are funded by federal research that need gap funding, expertise, and know how to get from where they are into a private biotechnology setting and then reach patients by getting onto the market.

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Rich Bendis: You've gotten into the description of the fund, but we're going to get much more detail for that, Matt. Also, you had to make a major family

decision. You had to make a decision to come from California to move to Maryland in the Baltimore area, didn't you?

Matt Tremblay: I did. Again, I grew up on the East Coast, so it wasn't a super hard sell, but life is comfortable in San Diego, so I think that maybe speaks to how excited I was about the move and what I call the dream formula. We'll get into that more when we talk about the actual model for Blackbird, but it's very exciting. We've got three young kids. We moved them out over the summer. Everybody's happily in school now. Early September was kind of a big mile marker for us. The kids are all settled in and everything, so we've been doing that. And it's getting a little cold this time of year, but we're still here, so... [both laugh]

Rich Bendis: I know listeners can't see it, but you've got your fleece on today. The office must be cool, but a little cooler than San—my granddaughter went to USD, so she was accustomed to that 72 degrees in the sun most of the time.

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Matt Tremblay: My little temperature reading on my car, when I drove to work today, said 25. I'm like, "How do I get this thing in Fahrenheit mode?" But it was in Fahrenheit mode!

Rich Bendis: [laughs] Well, it was a success story already that normally we talk about people who are in Maryland going to Boston or California. Here, we have a California coming back to Maryland, so that's the success number one, Matt.

Matt Tremblay: Well, I'm thrilled.

Rich Bendis: Yeah, with the reverse migration. Let's talk a little bit about this vision for the Blackbird Labs. Before we got on, you talked a little bit about how you heard about some of the vision from the Bisciotti family, but let's really pretend like the listeners know nothing about Blackbird Labs. Talk about its evolution, the concept, and how it's evolved to where it is today.

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Matt Tremblay: Fundamentally, the way that we approached this was to say, when you look at different ecosystems for technology in the country, you have a

few different, what I like to call, "raw materials" that are necessary to create success. I think amazing fundamental research—we call it basic research—is the first ingredient, and that arises typically with a large amount of federal research investment. I think you can easily see that, by the numbers, Maryland and California are neck and neck every year with total R&D investment from the government. Baltimore in particular has a big share of that, although there's other great pockets throughout the state, but Johns Hopkins University, University of Maryland, Baltimore, have a big piece of that. So, the question that the Bisciotti family office, and then subsequently myself, became very engaged with was we have this important raw material of innovative research.

0:08:01 We have also as a result of that federal investment, some of the greatest trainees, both PhDs and MDs, and of course other advanced degrees coming out of these institutions in Maryland, institutions of higher education. So, the second important raw material is a young talent pipeline, and we asked the question, why has that not given rise to a biotech ecosystem commensurate with Boston, San Francisco, San Diego, et cetera? Not that there isn't some really fantastic biotechnology coming out of Maryland, but how can we elevate that? What we determined to be a possible rate-limiting factor, and what Blackbird is set up to address, is the capital at the particular stage of risk when a technology is making the jump from the academic lab to a biotechnology startup company, and the know-how, expertise, and coordination of external resources that's required for that capital to be used efficiently.

0:09:07 That founding principle of saying, "There are three raw materials that are needed. Maryland has two of them in high abundance, and let's augment the third," that's the organizing principle at Blackbird Labs. So, to that end, the Bisciotti family, I think with great generosity and great vision, has committed a founding gift of $100 million to create Blackbird. Blackbird is a nonprofit organization, and that money is purely non-dilutive to the projects and companies for which that money is used. We're targeting what I like to call "short bursts of capital" that are accompanied by significant in-kind expertise.

0:09:54 I'll unpack that a little bit. We have a team at Blackbird of 12 people right now. That's about where we'll stay, 12 to 15. These folks are former operators in biotechnology companies, entrepreneurs. Some of them,

like myself, have spent time in big pharma as well. We are deep into the design of the research plan and working side-by-side with the researchers at universities to execute those plans to fill in the data set. They have an initial data set they've generated with their grant funding. How do we make that compelling to a larger set of investors to be able to power the initial business plan of a biotech company? We're providing the funding and the know-how to fill in those gaps. I say "short bursts of capital" because—it's not short; it's 12 to 24 months—but it's not meant to be a new life-support mechanism for a project. It's meant to be a spanning the gap from point A to point B.

0:10:57 The work plans that we put in place are designed to have milestones, success-based milestones, et cetera. So, that's the Blackbird model. I'll pause here, Rich, but I can talk more about how are we then recruiting investment to that.

Rich Bendis: I have a few more questions before you go into that. First thing that caught my attention: you said "non-dilutive." Are you saying that the Blackbird investment is more of a grant rather than an investment?

Matt Tremblay: Right. We'll talk more about how we are also enabling investments downstream through more traditional investment mechanisms, but the Blackbird funding itself—this is a very important tenet of the approach—we actually strongly believe that to take the ecosystem to the next level, it's important not only to have more startups, but to have the very best technologies that are emerging from Maryland's ecosystem stay in Maryland.

0:11:57 People can agree or disagree with that, but I think we had to create a model that was going to be not only good at getting a lot of people excited, but to get the inventors and the founders of the most exciting, highest potential companies to be very excited and very compelled by what we could offer, because I think that's what's really going to elevate the ecosystem and create this catalytic force-multiplying effect. To that end, the Blackbird Labs grant, if we can call it that, let's say it's $1,000,000 to take your project from A to B over 18 months, there's no equity in that future company that comes back to Blackbird. There's a series—we have master collaboration agreements with the universities that allow us to do this very modularly. The universities have been outstanding partners in that process. We have low overhead rates and all

kinds of other things to help facilitate that. What we're focused on is that that IP ultimately gets licensed to a startup company operating in the region.

0:13:00 If that is satisfied, then there's no financial remuneration or anything that comes back to Blackbird, but we just help steer that intellectual property to a company that can impact the ecosystem.

Rich Bendis: Got it. I'm going to have multiple questions to keep peppering you with, Matt, so bear with me. When you say that, it's really at the researcher level that the grant is made, and that's prior to company formation. Is that what I'm hearing?

Matt Tremblay: That's the sweet spot for us. What we also tried to do, Rich, I'll say this: Philosophically, we want to impact the whole ecosystem, so I've been focused on creating a toolbox of different ways to interact with a scientific concept no matter where it is in its life cycle. We can be most effective if we get to a project as it's about to leave the university but it hasn't actually been spun into a company yet.

0:13:55 We do have ways of interacting, and we have made some investments in established companies, but that's where our Blackbird mechanism can be most effective is prior to company formation, and it's really that—I call it the “on-ramp” to company formation. It also shouldn't be ten years before company formation, but in that one to two years before company formation, I think we can help set the momentum so that you're really taking off the runway with a lot of speed. That's the goal of the Blackbird model.

Rich Bendis: If the company's already been formed but you're interested in supporting it, does that have a different investment philosophy than what it is pre-company-formation?

Matt Tremblay: Philosophically, we still try to evaluate the potential of the technology agnostic to the vehicle that it's in, and the way we review things internally is we look at the science first. I'd like to consider us a science-first organization; however, we typically are not leading investments in new for-profit entities.

0:14:55 So, we'll either be leading with that Blackbird grant to an investigator at one of our partner universities, or if there's already a company formed,

we are evaluating and we've made a number of investments as a supporting investor with a credible lead investor. We can unpack the reasons for that later, but there is a little bit of a blind spot in our mechanism where we aren't going to be the one to lead a seed round for every new startup on the block. We're trying to help it build its data set prior to going out to the market, and then if there are established companies, we can try to help support that through syndication.

Rich Bendis: Got it. You mentioned you have a team now of about 12 to 15 people, or maybe maxed out at that, and they're all experienced, I would assume, in industry or someplace in the market. Do you see them as, in addition to just providing some knowledge or insight, will they actually become extensions of management, or potentially become part of the management of something that might spin out to create a company?

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Matt Tremblay: Great question. We hired two different types of folks. Not that everybody breaks down cleanly into those categories, but in general, we've got a set of folks, including some of my team members from Scripps Research Institute who actually moved out here with me and had that same transformation that I had over the summer becoming a Baltimore resident, that are treating Blackbird as a portfolio of projects and really thinking about, "How do we increase biotechnology startup formation as an ecosystem?" We've also hired a number of venture partners and entrepreneurs in residence who, as your question implies, they're much more focused on two or three projects, or even one or two projects, and they're spending a lot of time digging deeply into that project and then executing with the faculty member, and those folks are candidates to become interim or even possibly permanent management of those companies.

0:17:04 I've made a commitment to those folks to take us wherever the path leads. If this is the thing that they identified that they want, that they're passionate about, and they want to continue to follow that, we've created an employment model where they're perfectly able to do that if they're excited about doing that.

Rich Bendis: I endorse the model. It's a great model. We created an Entrepreneur in Residence program with NIH 10 years ago, so we now have 13 EIRs at NIH

that are located all around the country, and then we have four EIR executives and residents with Montgomery County, Maryland that the county is actually funding to do similar things that Blackbird is doing. We'll talk about that offline as we get to learn more about each other, but I would imagine some of our EIRs would be able to be beneficial to help support your team, the technologies, and the science that you're working with. So, I really look forward to that. Let's talk one last thing before we dig deeper into the investment: the partners.

0:18:00 In order for Blackbird Labs to be successful, it's going to take strong committed partners to work with you. I know that you've got a great group of committed partners. You want to talk a little bit about those partnership relationships you have?

Matt Tremblay: Yeah. I would break that down into a couple of categories. Our core partners are the universities. Because of the work that the Bisciotti family office has done in Baltimore with those institutions philanthropically at a smaller scale than Blackbird, we had a very warm introduction to those relationships and there was a lot of existing dialog that we could build on. We put in place master collaboration agreements with Johns Hopkins, University of Maryland, and also the Lieber Institute for Brain Development, within two or three months of making landfall in Maryland, which I was very excited about. Folks who are listening who've done these types of agreements will know that that's quite quick to put together something right that has an all-encompassing—

0:19:03 We can now speak freely to anyone at these institutions. We can identify a project of mutual interest, create a work plan, and in a matter of a couple of weeks, that gets added to our agreement and we're off to the races. We can put dollars in the hands of researchers really quickly which is the thing that I was really focused on doing, so those organizations have been incredible partners. I think the only thing limiting us from going further than that is just our own bandwidth, so over time we anticipate extending that to other institutes of research and education within the region. The other set of partners that's crucial to making this work are the other investors. I'll just say investors writ large. That obviously includes venture capital investors, but also foundations, pharmaceutical companies that take bets on biotechnology startups in

their early stages—folks that will also bring capital and their own experiences in subject matter to the table.

0:20:04 So, we've spent a lot of effort broadening that network as well, and trying to, again, play off of the assets that we have here in the region. Just as one anecdote, we hosted a group of about a dozen venture capital firms for a Ravens home game last weekend, and it was just incredible weather. The Ravens won, and people had a lot of great networking, including leaving with the impression of Blackbird and what we're trying to do. We're trying to also broaden—again, I credit a lot of people who've been doing this for years, increasing the visibility of this ecosystem to the national stage of investors, and I think we're just trying to add to that. But we're getting a lot of good traction, and people are excited when they see a nine-figure commitment to a cause like this, and that's bringing a little bit of new momentum to getting venture capital dollars to possibly net influx into the region.

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Rich Bendis: Great, I love that. The more visibility we get for this region, the better it's going to be. Also when you can actually put your money where your mouth is, it's easier to attract people to come in to partner with you for sure. Let's talk a little bit more about this investment philosophy you had. You've talked a little bit about that—pre-company-formation, researcher at the university. Let's just talk in broader strokes. We know about the stage, yet you have flexibility in this stage you mentioned. You can talk a little bit more about that. You mentioned a million dollars, but I would imagine there's a variation in the size of the investment, whether it's a grant or it's an investment that you're going to make. If you could talk a little bit about those ranges. Then in the technology area, is there a specific area that you're going to focus? Or areas that are off limits, for example where the expertise doesn't exist or the returns don't exist? Where are the priority areas for investment? I'll just let you talk about those three areas to start, and we'll build on that, Matt.

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Matt Tremblay: That's great. I'll take those in a little reverse order just to narrow the scope. In the long arc of time, we're committed to technology development writ large; however, in the immediate near-term, we're

focused on therapeutics. The choice of that is based on my own experience. The team that I brought with me from Scripps, this is where we think we can add something with our own experiences to try to create value. Besides the capital that we're contributing to the equation here, we want to be able to add value from our own experiences. So, there is a focus on development of new medicines, and I view this as probably something that will be the first two or three years our focus, maybe the first one or two cohorts of companies—if I can say cohorts softly, not a hard cutoff. So, that's the initial focus. I do see us expanding that to other life-science technologies. I don't think things outside life science are off the table completely either, so I'll leave that for our next episode. Right now, we're focused on therapeutics.

0:23:05 Stage is, I think, as early as a therapeutic makes sense, so we're looking at things—novel targets, tool compounds, and the like. The investment philosophy is really two-fold. We have the Blackbird Labs, which I refer to as impact capital. As we mentioned, it's non-dilutive. One other big decision we made is we're not going to have a one-size-fits-all check size. We go in, we identify technology we think is transformative, and we work with the scientific team to figure out what needs to be done to take this to the next level, and how much does that cost? Not only how much does that cost for the scientists at the university, but also what are we adding? We have the ability as a small organization to engage contractors in a more nimble fashion, so we can put in place CRO agreements very quickly, so there's also an extent to which we're doing some work, they're doing some work.

0:24:05 Those check sizes, we've made five "investments." I'll call them "investments" in air quotes. We've made five Blackbird funding commitments, and those check sizes have ranged from $70,000 to approaching $2,000,000, and that has been based on the needs of the program. The $70,000 is likely something that, if it works, we'll be funding more into that project before we form a company. So, I consider that the low end, but that gives you a sense of the working range of the Blackbird capital. The Blackbird capital is not meant to fund an IND-enabling campaign and a clinical study and spend $10,000,000 to $20,000,000 on one program. That's not the intended uses of the Blackbird capital. What we intend to do—that's looking at one piece, one end of the spectrum of the investment pieces.

0:24:52 The other end is the family office. We've created a dedicated subsidiary that will make investments as a way to have continuity with the Blackbird Labs impact model. The idea there is, as we create data sets and help to create company pitch-decks and a business plan for the company with the scientific founders, we want to be able to put that in front of venture-capital investors and say, not only have we funded this through Blackbird and we believe in this, but we're also willing to put our money where our mouth is, for lack of a better phrase, so we have the ability to make an investment alongside those investors. We're not leading that investment around. We're not setting the valuation. It's very important to us to have validation and the experience of a venture-capital group that has done this for, ideally, decades, but we're willing to syndicate with that, perhaps as much as 30%, let's say, of a seed or a Series A financing, so at a significant degree to convey our confidence in a program.

0:26:02 One other thing I'll say there, Rich, is to the extent there are existing biotech companies who are already beyond that point—they have a lead investor, they're looking to fill out a seed or a Series A round—we have prioritized speaking with those companies, and I think we've made a total amount this year of three investments. Those have been in the low single-digit millions just based on what we've looked at, but there's no reason why that couldn't be more, in principle. Over time, we envision a lot of our investments being downstream of Blackbird Labs originated programs, because again our vision is to create an integrated support pipeline for the growth of biotech in the region, but we'll continue to make what I'll call opportunistic investments in companies as another way of helping to build the ecosystem along the way.

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Rich Bendis: I'm talking with Matt Tremblay, the CEO of Blackbird Laboratories, and really they're leading a new $100 million fund in the Baltimore area with the Bisciotti family, who is the primary investor behind that fund with very good strategic partners. I would summarize a little bit of what you said, Matt, as that you'll probably be willing to do some of the sole investing or the initial investment in the very earliest stages up to a certain level. Then, a question I'm going to have for you: At what point, as you're continuing to progress the science—this translational science—is it that you're going to require to have another investor come in with you,

and you've made a decision that you can't go further alone because you realize it's going to take significant funding for them to continue down the commercialization journey?

Matt Tremblay: That's exactly right, Rich. I like to think of it as a continuum of validation of a commercial concept. In the early stages, the questions that need to be answered are primarily technical.

0:28:00 I think we're comfortable putting in the capital and being able to articulate those questions and then evaluate the answers. As the questions that arise become more commercial in nature, i.e. will there be enough investors, pharmaceutical companies, et cetera in the world to support the development of this idea all the way to market? Then the answers to those questions are no longer purely technical and the way you answer those is to see if other investors will syndicate. So, it's really the market signal that we're looking for there as a way to say the market will support the lengthy and costly development of this new drug because the market, let's say, believes that this is a transformative approach. That's fundamentally how we're approaching that, but I'll just say, just to reiterate, that the $100 million is just the Blackbird allocation, so that's just going to that early de-risking stage where that's all meant to be used as impact capital.

0:29:00 And then any investments that we make downstream of that in companies is drawing on additional capacity from the family office. So, we think that that is a pretty good formula for trying to make a difference here.

Rich Bendis: I think that's a great formula because basically you also have somebody that can be identified as the lead or strategic syndicate partner already, which makes it much more attractive for new investors to come in and look at a deal. The other thing is you have the history of taking something from an early conceptual stage to get it to a stage where it's ready for other investors, and you have other money coming from similar resources that are willing, as you say, to put their money where their mouth is to continue to fund that going forward. So, I think that's a very sound strategy, Matt, and congratulate you on developing that. I love the side by side investment philosophy that you can do with the family office because then that shows that the whole family and everybody is committed to a certain technology or science moving forward.

0:30:00 You mentioned you've already funded about five projects. Can you give a little profile or examples of those fundings you've done?

Matt Tremblay: Absolutely. We've gravitated toward two different types of programs. One would be therapeutic assets that are actionable, that have chemical matter, let's say. We have in one case a very compelling first-in-class drug for inflammatory bowel disease. This was actually published in *Science Translational Medicine* earlier this year by Dr. Barb Slusher at Johns Hopkins. Really interesting mechanism, GCPII, which is an enzyme that's expressed in a few places in the body, but notably in the colon and the ileum during the development and exacerbation of inflammatory bowel disease, in particular, Crohn's disease. They laid out this beautiful story and we were excited to partner with them.

0:31:00 That's our flagship program. We're developing that small molecule, which is an orally available drug, which actually targets the gut. For those chemistry aficionados out there, this is a molecule that's rationally designed to not get everywhere throughout the body and have side-effect risks and things like that. It actually targets the gut very exclusively through a designed pharmacology, and then has this impact on GCPII which is a novel target for IBD. So, we're very excited about that. We're working on building out an IBD company that may have other therapeutic assets around that lead asset. That's one profile that we think is a successful initial seed of a company. The other is a platform technology. We funded two platform technologies, one is in the RNA space—short RNA molecules that amplify endogenous mRNAs. You can deliver mRNAs or through other gene therapy modalities, but you end up possibly expressing that payload gene throughout the body in places that you may not want it to be expressed.

0:32:08 Our technology that we're working on here with Jeff Coller at Johns Hopkins targets endogenous mRNA. Particularly in diseases of haploinsufficiencies, you have a gene that's being expressed at a lower level, so it's insufficient to create enough protein to perform a normal function, but there is an mRNA expressed in that cell. The RNAs that we're designing and delivering as therapeutics will, in a sense, home to that mRNA and boost its signal in a way that does not affect other tissues that are not expressing that mRNA, so an amplifier or booster is what we like to call it. This could impact a whole range of diseases—genetic

diseases, possibly orphan and rare diseases. So, we're very excited about that.

0:32:58 I could get into the others, but they fall into those two categories where either there's a therapeutic asset that we can put capital behind and put a strong business plan behind, or a therapeutic platform where you could envision multiple therapeutic assets arising from that same technology.

Rich Bendis: There's no question you have a lot to draw from because Johns Hopkins is the leading research institution in the world, right in your backyard, and then you have University System of Maryland. When you put both of them together, you're talking about $4 billion of NIH funding coming into the region. That's pretty significant assets to work with, and I'm sure that helps stimulate your decision to help come to this area. But let's talk a little bit about the ecosystem here in Baltimore, the Maryland ecosystem; you've just come from San Diego ecosystem, which has taken, like, 30 years to get to where they are today. How do you compare the two ecosystems today? And I already know that you're talking about the talent, the NIH funding, and the capital missing, but let's just talk about in general, the ecosystems as you would compare them.

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Matt Tremblay: As a scientist particularly, you're used to doing carefully controlled experiments where you can manipulate the variables, so when you compare different geographical regions and the businesses that arise there, it becomes very challenging to point to any specific parameters. I don't mean that as a lengthy dodge to your question. I will say I think San Diego has some great research institutions. I think that the research institutions in Maryland, and particularly in Baltimore, are of a significantly larger scale when it comes to, as you just mentioned, Rich looking at that federal R&D investment. So, I think those parameters speak to a very high potential, and I think possibly an unrealized potential—not completely unrealized, but I think the ability to unlock more of that potential in Baltimore, and Maryland, and the BioHealth Capital region at large to create more biotech companies.

0:35:05 I think that a mixing of experienced entrepreneurs and experienced investors who invest in them, both in their successes and their failures, but even in the failures then recirculate those entrepreneurs into other

roles, that may be a thing that's more developed in a place like San Diego, and where I think the activity that we're embarking on can help develop that pool of entrepreneurs who are operating in the region in companies. This is part of the reason why we think that the scale is important, that even if the first five companies are not successful in that they bring drugs to market or they have phenomenal M&A exits, but if they actually get up to what I call cruising altitude, they hire people, and they have a syndicated investment, then you're starting to create the elements of that talent pool and that experience pool that then shift the equilibrium toward this region.

0:36:06 As we all know, clinical trials have a certain attrition rate. Things don't work out. But then those people become part of the ecosystem, and then as other opportunities arise they'll matriculate to other opportunities. I think that's a lot of what we want to do in the early years, is just create that mass action where more people are involved in life sciences and biotechnology companies in the region at a serious scale.

Rich Bendis: You're really talking about connectivity and convergence, really.

Matt Tremblay: I think that's right. That's a great way to put it.

Rich Bendis: Those are the two Cs, but the two Ps that are most important are patience and persistence, because nothing you're doing is going to happen overnight, especially in the therapeutic area. It's going to take several years for things to determine whether or not they're going to be even semi-successful or not, so there has to be this longer term commitment.

0:37:00 That's probably one of the challenges that's happened in this region, is that there have been good ideas, there have been visionary leaders in the past, but there hasn't been the continuity of the plan or the commitment to fund over a long period of time that which is necessary to make it successful. I think you wouldn't have made this commitment to come to Baltimore from San Diego if you didn't see that kind of a commitment from the Bisciotti family as well as the partners you're working with. As we get close to closing here, Matt, what do you see as the major critical factors for success that are necessary for the Blackbird Laboratories and this new fund to be successful?

Matt Tremblay: One thing that I've been urging my team to do, and I would urge politely, as a person new to the ecosystem, but I would urge everyone here trying to make a difference to do is—and it's become a little bit cliche—but I like this adage of, "Think globally, act locally."

0:37:55 What I mean by that in this specific instance is, if we're trying to create an ecosystem that can contribute on the national and the global stage, producing—going back to your two Ps—patience and persistence, we need to be careful to keep the bar for quality as high as it is everywhere else. We have to think about: What can we do that's transformative compared to everything else going on in the world? We have, as I've said, the raw materials to do that. We have some of the best intellectual property arising from these institutions. We have some of the best trainees arising from these institutions. We need to hold ourselves to that very high standard of working on problems that are not just the best problems that we can solve currently with the way the ecosystem is, but let's work on problems that everyone in the world wants to solve, and measure success the same way. That's point number one. Point number two: another phrase I've become fascinated with, which is Dr Martin Luther King, "We take the first step in faith. We may not be able to see the whole staircase, but we can take the first step."

0:39:05 This was something that has become a mantra for me because we've had a lot of pressure to say, well, what exactly are you going to accomplish in five years, in ten years? The answer is we don't know exactly, but we know how to get started on the journey, and we know what needs to happen first: recruiting people, people talent, people capital, and experience capital to the region, and then working with these assets that we have here. And we're highly focused on doing that. There are a number of outcomes that arise from that. If you do that first stage well, take that first step with surety and with right intention, there are a number of really positive outcomes that can come from that, so that's what we're focused on right now.

Rich Bendis: I think it's a place you need to focus, Matt. You're going to have a lot of opportunities emerge for other things that you could be doing, but staying the course and focusing on those immediate opportunities in front of you is going to make you more successful, right?

Matt Tremblay: Right.

0:40:06

Rich Bendis: Is there anything that you would like the listeners to know about Blackbird Laboratories, yourself, anything about this vision that we haven't discussed at this point?

Matt Tremblay: Rich, we've covered a lot of ground. We're still on our extended listening tour. We started Blackbird back in January of this year, so we're coming up on one year, but I still consider myself in listening mode. So, anyone listening to this for whom this mission resonates and you'd like to help us learn more about the ecosystem, how to be successful, or how to help, reach out to us, particularly if you're in the area of medicines. Whether you're an entrepreneur, an investor, or researcher, we're still humbled by the state of these raw materials that exist in the region. We want to learn more about them.

0:40:57 So, that's an open call for folks. We made an announcement earlier in November, so we've gotten a lot of outreach from that, but we'd like to continue to get connected with new folks.

Rich Bendis: We're talking with Matt Tremblay, CEO of Blackbird Laboratories, and he said basically get in touch with him. How would they get in touch with you, Matt?

Matt Tremblay: We spend a lot of time on our website. I hope that people find it good. There are ways on there to get directly in touch with us. There's contact information there, www.blackbirdlab.org.

Rich Bendis: Very good. I think this has been very educational for me and, I hope, for the listeners, and we wish you the best of success. We hope you enjoy Baltimore and Maryland. We hope that the Ravens, the further they go, the more successful it's going to be to bring newer venture capitalists into playoff games, right?

Matt Tremblay: [chuckles] That's right, that's right. That's another one of the assets that I don't hit too on the nose, but I think it's great to have a good sports team here, and Orioles played well this year too.

0:42:00

Rich Bendis: Right, you got a two-fer. Matt, thank you very much for being on *BioTalk*. This is the first of many times we'll hopefully get together to listen to the progress and your continued vision for the Labs.

Matt Tremblay: Thank you, Rich. It was a pleasure.

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

End of recording