

Blood and Bone Marrow Primary Cell Contract Research Services using the CellPrism® Platform to provide Predictive and Investigative Toxicology, Immuno-Oncology, And Antibody Testing for Drug Development and Life Science Companies



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“A common thread throughout our current and future growth is offering services and products that are robust, predictive and enhance better decision-making. That is our goal.” - Rob Chaney

CEOCFO: *Mr. Chaney, what is the focus at ReachBio Research Labs today?*

Mr. Chaney: The primary focus with our company is delivering high quality cell-based drug development services. We consider ourselves as ‘cell biologists for hire.’ That means that we work with pharma and biotech companies that have a need to outsource some of their preclinical assays or studies. We take those on and provide custom, cell-based services for these clients. What is really interesting is instead of using a lot of the common techniques such as biochemical assays or cell lines, we utilize primary cells from healthy donor or patient blood or bone marrow that provide more clinically relevant data, which is of interest to our clients.

CEOCFO: *Why would someone want a more custom solution?*

Mr. Chaney: There are challenges with drug development during preclinical phases to screen for specific drug activities, both in terms of efficacy and toxicity, before they take them to the clinic. There are a lot of inherent challenges with how these assays are run and the quality of the data that comes out of those preclinical studies. Drug companies rely a lot on that data before they go into clinical trials or animal studies. What we do is offer better data. We don’t utilize standard traditional assay systems, although they might be initially cheaper and easier to attain, as they don’t necessarily give you the robust, clinically relevant data that our assays do. What we are doing is working with our clients and their protocols and using specific types of cells that we know work well in our assays, tailored to their needs, and generate more predictive data that usually leads to a more clinically relevant outcome. Therefore, when they do go to the clinic the changes of success are higher.

CEO CFO: *Is this the CellPrism® platform?*

Mr. Chaney: Yes, we approach clients with assay services that encompass our CellPrism® platform. CellPrism® is a spectrum of in vitro assays utilizing tissues from blood and bone marrow focused on predictive blood toxicology and functional immunology platforms. That is what our expertise is in, it is in hematology and immunology. Within these assays, we can address all sorts of questions. As an example, if a client has a drug where they think there might be a potential toxic liability within the blood, but they do not know where it is targeting and what the outcome might be, we can incorporate different types of bone marrow or blood assays suitable for their drug candidates, execute the assays with appropriate read-outs, conduct the analysis, and more likely than not pinpoint where that toxicity is targeting. That may be at a primitive stem cell level within the bone marrow or targeting mature blood cells in circulation. It is not just one type of assay, it is a suite of assays in this particular example where we provide a more robust palette of services.

CEO CFO: *Is the community that should know about ReachBio aware of what you are doing and the next level you can provide or is there still a large portion that is not understanding or paying attention?*

Mr. Chaney: We are a relatively small company. One of the challenges is getting the message out to potential clients as we don't have the bandwidth that large service providers do. I think one of the good things is that the industry has been changing over the years, so people are more aware of the need for more clinically relevant systems. There is also more of an interest in developing certain types of drugs that target or enhance the immune system, such as immuno-oncology drugs that our CellPrism® platform can address. As we enhance our efforts to promote CellPrism®, we believe the task of getting the right clients to our doorstep will be less daunting.

CEO CFO: *Does cost come into play or are people willing to pay for something better?*

Mr. Chaney: Sometimes it depends on the client, but in general cost is always an issue. A lot of what we offer is a better 'bang for your buck.' Although typically the assays that we have are more expensive on average than a lot of the standard services that you might see in the industry, the predictive nature of the data in general tends to be much better, and therefore, more reliable going into animal models or clinical trials. I think because of that, once we address that issue with clients, they understand this concept. They grasp that fairly quickly. Most clients that we work with are looking for really good relevant data and expertise that is not easy to find. There are lots of examples in the industry where they have spent millions of dollars pre-clinically, on animal studies, etc., for drug leads that companies deem to be successful in the clinic, only to find a relatively high failure rate. I think with that understanding, drug development companies might have to spend a little more up front on more predictive drug screens, but the result is that they generally get better data that translates to better decision making to continue on or pull the plug on drug candidates.

CEO CFO: *How else are you reaching out to potential customers and what is your geographic reach?*

Mr. Chaney: Our client base is anywhere from virtual companies all the way to international big pharma. We have clients from all over the US, Canada, Western Europe and parts of Asia. We use a variety of methods for reaching them. Much of it is word of mouth which is great. We have

been in the industry for ten years now, which may not sound like a long time, but in this industry it is considered to be pretty stable. In addition, we are getting greater visibility on the internet. As with most if not all service providers, client companies use various searching methods to locate and target vendors using the internet. So our website and how we approach SEO, SEM is really important. We also advertise in trade magazines as well as attend drug development conferences. We do a lot of onsite visits with companies. We target centers within the US and also in Europe to set up visits with a variety of companies throughout the year. It is a combination of all these things that we are doing to enhance our profile and engage potential clients.

CEOCFO: *What do you discuss at the final consultation you provide clients after completion of a project?*

Mr. Chaney: We typically work in a very collaborative way with our clients, reviewing not only the raw data but follow-up analysis and interpretation of the data using published studies and our experiences. Since the data and analysis can be somewhat complex, part of our job and the service we offer is making sure our clients fully understand the data that they have received and hope that this data facilitates the next steps as they move from bench to bedside. We also discuss potential new projects based on data from an initial study that often leads to follow-on studies. This process may take time as we try to marry some initial in vitro data sets with some in vivo animal models. One of our strengths is the continued communication we have with clients, before, during and following the studies. This process plays an important role in educating the clients on specific assays and may facilitate the company's ability to submit data to the FDA.

CEOCFO: *Is the report based on the testing or is there interpretation involved in what you are doing?*

Mr. Chaney: The report provides the data and analysis as well as opportunity of interpretation. It documents the methods in which the testing was performed and it presents the data. However, for some clients an additional benefit is the interpretation of the data set. For example, if a company were to send us 10 compounds and we performed tests to evaluate these compounds on bone marrow toxicity, we would, based on the data, be able to rank the compounds in terms of toxicity and this may help a client select or deselect a candidate to move forward towards clinical trials.

CEOCFO: *Would you tell us about the range of lab animals you choose?*

Mr. Chaney: Much of what we do involves testing drugs on human blood or bone marrow. However, we and others have found significant differences in the effects of test compounds on various species and therefore incorporate multi-species testing. This can cause challenges for drug programs. For example, a compound may have shown no toxicity in mice, but when it advances to human clinical trials, there are unexpected surprises with blood toxicity. Blood or bone marrow from mice, rats, dog and non-human primates may be tested in our assays that can be mandated by the FDA. Using multiple species can offer complimentary or divergent data that is important to consider as companies prepare for clinical trials.

CEOCFO: *What is next for ReachBio Research Labs?*

Mr. Chaney: One thing that we touched on was the CellPrism® drug development platform. We launched it less than six months ago and that

is an important platform of services we are promoting for the company in future. Our aim with this platform is to grow our client base addressing their program challenges. Our other focus with this platform is to incorporate new services as the market develops, as it is important to stay current with new approaches and new technologies to address our clients' drug development concerns. We embrace new assays, services, technologies or products within hematology and immunology using blood and bone marrow that deliver more predictive data in the end for our clients. These areas are growing and we have expanded beyond studying just blood-borne stem cells into new areas in blood, bone marrow, immunology and immuno-oncology bases diseases. This also includes are growing interest in providing primary cell-based products for customers to enhance their research. A common thread throughout our current and future growth is offering services and products that are robust, predictive and enhance better decision-making. That is our goal.

