

Transcript of Ronan O'Hagan of Bectas Therapeutics Inc.

Hall T. Martin: [00:00:00] Well, hello, this is Hall Martin with Infection Connect. Today, I'm here with Ronan O'Hagan, President and CEO of Bectis Therapeutics. Bectis Therapeutics, Inc. is developing cancer therapies that address over 400, 000 patients yearly who do not benefit from the existing standard of care treatment. To do so, Bectis is utilizing a precision approach that ensures each patient receives [00:00:20] the right drug for their cancer.

Ronan, thank you for joining us.

Ronan O'Hagan: Thanks, I'll appreciate you having me on today. Great. So where are you calling from today? Uh, I'm in the Boston area, greater Boston area, although Bectus specifically actually is located out of Houston, Texas. So, uh, I try to take some trips down to, to Houston and in this time of year, given the [00:00:40] difference between New England weather and Texas weather in the winter, at least.

I

Hall T. Martin: understood. Well, so can you share more about your background and expertise in biotechnology and

Ronan O'Hagan: oncology? Yeah, sure. So, so I'm currently the president and CEO of Bectus Therapeutics as, as you alluded to. You know, it's a, uh, a cancer drug discovery and development [00:01:00] company that's focused on applying precision based approaches.

To, uh, understand mechanisms of resistance to existing care in particular immune therapies in cancer. Uh, and so we're using that approach, uh, at, at Bectus today. And really my sort of, uh, story from [00:01:20] a biotech industry standpoint comes from the time when I was doing research, uh, at Dana Farber Cancer Institute.

And I used to work in a, in an older building at, at, uh, DFCI that was called the Mayer building, where the lab that I worked in was. But most of the research seminars and interesting meetings and frankly the free food, [00:01:40] uh, were in, uh, a, a newer building. And so I had to walk from one building to the other at least once a day.

And on the way, I used to pass the entry door to the Jimmy fund clinic, which is the pediatric oncology clinic at Dana Farber. And so, you know, as much as I was very much interested in basic science and utilizing mice to [00:02:00] understand how cancer worked. Uh, it really got brought home to me every day in passing the Jimmy fund clinic that cancer is a disease that affects patients, affects their families, affects multiple people, uh, you know, and Dana Farber being a clinical institute, it meant that I saw not just those pediatric oncology patients, but.[00:02:20]

Uh, you know, adult patients as well and some of the research fellows that I worked with were practicing clinical oncologists and, you know, the frustrations that they expressed and their inability to adequately treat cancer patients that were coming to see them, all of those things really brought home the importance of the [00:02:40] disease and looking for new treatments and therapies for the disease to me and that really underpinned a large part of my motivation for my career.

You know, pursuing a, an industry oriented path with the, with the goal of developing cancer drugs rather than an academic path and building what is an important foundation for [00:03:00] all of that, uh, drug development and drug discovery work. But it really motivated me to move into the drug discovery side of things more specifically.

Right. And

Hall T. Martin: so what challenges and opportunities have you encountered in launching a biotech startup in the field? Yes, I think,

Ronan O'Hagan: you know, really, for me, the challenges are the [00:03:20] complexity of cancer, the complexity of the business environment on really trying to understand how does one most effectively position your scientific understanding in a business context and really the sort of the key things for me that have helped me to handle that and think about it carefully have been [00:03:40] sort of core values Uh, that I've developed over the 20 or so years that I've been in biotech and pharma and those really point to three key things, which is patients, uh, people and what I describe as proof of concept and the patients really means, you know, you have to start with the end in mind.

You have to understand who [00:04:00] are the patients you're looking to treat, who are the, what, what do they actually need? Uh, and so I think that's an important piece because that brings clarity to what are the questions that you

should ask. So that's sort of the. The complexity, both from a business standpoint, where do you want to be from a to to have a niche of your own?

And what do patients specifically need? The people piece is [00:04:20] the other one, which is you really have to get the right people involved in your company. It's really important to find people who believe in the mission and the goals of the company. Uh, you know, innovation, creative industries like biotech are difficult.

And so you need to have people who can handle asking hard questions, getting answers they don't like and handling that and moving forward [00:04:40] with with an innovative and creative mindset. And the last piece of that is really this proof of concept idea, because I think here that is the concept of asking a hard question and looking to see if you get an answer that says yes, you should keep going, but also being open to the notion that you might get an answer that says no, you shouldn't.

And I think if one's [00:05:00] afraid to ask the hard questions, then you can keep going, but you're just sort of diminishing returns. And so it's really important to ask those hard questions early, look for proof that your concept, your idea is right at a small level. If it is, then expand and invest more. You can think about that as sort of a staged investment in a particular drug program [00:05:20] and in a company as a whole.

So, how do

Hall T. Martin: you envision the impact of your products in the oncology

Ronan O'Hagan: market? I think the key thing that we're doing at Bectus really is bringing precision therapy or precision medicine based approaches to immune therapies in cancer. And we've seen over the last, you know, 20 years, ever since the, [00:05:40] the, the origins of Herceptin in breast cancer, which was a targeted therapy, the HER2 protein on, uh, patients breast cancers suggested one should treat those patients with a particular antibody.

So we've known that targeted therapies improve the likelihood of success, improve the benefit for patients, and can accelerate [00:06:00] clinical development. And we've seen that proven time and time again now with targeted therapies in the oncology space. And we sort of, you know, about 10 or so years ago, the emergence of immune therapies with some of the work done by Jim Allison, who we're fortunate enough to have as an advisor, uh, to, to

Bectus, uh, and others demonstrated the [00:06:20] value of immune therapies and the curative potential of immune therapies in cancer.

And no, and so anti PD one and anti CDLA four or T cell checkpoint focused, uh, therapies worked broadly across many patients. Uh, and sort of following on the tail of that, there [00:06:40] was a, an avalanche of immune based mechanisms that were interrogated for their ability to treat cancer patients. But what was perhaps lost sight of a little bit was the need for precision.

Cancer is a complex disease, the immune system is complex as well, and if you have the intersection of two complex systems, [00:07:00] uh, you're really going to have to think hard about what's actually going to be Work on the immune side to benefit the cancer, uh, or to treat the cancer in the patient. So, so I think that's really, um, the key thing and that is to bring to bear precision based approaches, a deeper understanding of what is [00:07:20] going on in a particular patient's cancer.

What's the immune, uh, impact that current therapy has and how do you address that? And to do that, you really have to start by looking at human patients. And so, you know, what we're doing at Bectus is building on unique insights that we have directly from human cancer patients, understanding [00:07:40] why patients, when they're treated with existing therapies, either benefit or don't.

And in those patients who don't, we're able to determine what is the protein or the cell or the target that should be treated therapeutically. And how do we identify those patients subsequently using a [00:08:00] diagnostic or a biomarker assay that'll help us find the patients that'll benefit most from the therapy we bring forward.

So what's at your

Hall T. Martin: approach in parts apart from the competitors in the field

Ronan O'Hagan: now, I think it really is the precision based approach that, you know, those insights that we have are founded in human patient data. So understanding what's [00:08:20] going on in the patients and then apply sort of the breadth of knowledge of the of the advisors and the people who have input into what we're doing it back to us and a deep understanding of the biology of the immune system that tells us that you have to look.

At what happens once you treat a patient with a drug to determine why they don't respond. It's very [00:08:40] difficult in the immune system in particular to

determine that before you treat the patient with the drug. So that sort of dynamic view of precision is really important. And I think that's a unique feature of what we're doing grounded in, in, in the human patient information that we found all of the programs in.

So you have a great deal of

Hall T. Martin: experience here. Any [00:09:00] advice for newcomers entering the biotech and oncology space? Yeah,

Ronan O'Hagan: I think that if you're really just starting out, you know, like everything, it depends on your end goal, but if you're if your goal is really to take a leadership role in biotech or pharma, and this is probably applicable in any industry, is to think about [00:09:20] building your credibility and your foundation on your technical skills, your expertise in science or finance or business development, whatever your particular function is, it's related to biotech pharma industry, I definitely want to build your credibility there, but remember that your long term in the long term, you're going to end up in a [00:09:40] leadership position if you're successful there, and it's equally important, I think, to build.

Your leadership skills and your understanding of how to help other people to be effective because really, you know, your ability to contribute to drug development depends on your ability to influence and lead teams, given the complexity of what we [00:10:00] do in this industry,

Hall T. Martin: right? And so I always ask this question to discover more.

What online resources do you find most valuable in your work?

Ronan O'Hagan: Yeah, so so interestingly, given given the context of today's conversation, one of the things I found most useful in the last couple of years has been podcasts. There are some great podcasts around [00:10:20] technical aspects of the biopharma industry around leadership, uh, you know, your podcast hall has proven to be a really good resources.

I've listened to that and thinking about the startup environment in particular. So, so I think that's one, one really useful resource. And it's kind of a, a resource that fills time, that's otherwise, [00:10:40] uh, not necessarily as productive. So dry, I, you know, I do, I drive from place to place and podcasts are a great thing to put on.

Uh, and so I get a lot of value out of commuting to different, to, to different places as a result of that. And the other thing, you know, which sort of goes along with that is, is frankly books, um, books on leadership I've found [00:11:00] to be incredibly valuable. You can go all the way back to, to books like, you know, good to great from Jim Collins, which defines some key principles for me about getting the right people on the bus and.

And the hedgehog principle that he described around focus, there are books, other, other leadership books by people like John Maxwell that I really enjoy. It's got this [00:11:20] book called the 21 irrefutable laws of leadership. Those, those 21 laws have proven great value to me. So I think books are really valuable as well.

Um, and, you know, and certainly, you know, if you're interested in a particular topic, you can go find it anywhere now using, using a simple search engines. Well,

Hall T. Martin: there's a lot of new therapeutic [00:11:40] models and technologies out there. If you can start a business tomorrow with one of those, what would it be?

Ronan O'Hagan: Yeah, I think the key thing for me would be to go back and decide what is the patient need?

What disease are you treating? In my case, you know, I tend to focus on cancer or autoimmunity, for example, given sort of the space that I've been working in over the last number of [00:12:00] years. And really trying to understand what are the patient's needs and to do that, you really have to have access to patients, uh, and the ability to understand how they respond to existing care and why they don't under, uh, respond.

After that, I think, you know, I'm, I'm agnostic about the modality, like [00:12:20] whether you use an antibody or a small molecule or a gene therapy or a cell therapy. Um, those things are at different levels of maturity, but I think the key question is to figure out what is it a patient needs and what approach then do you use to address that particular therapeutic need?

Great.

Hall T. Martin: Well, can you share an unexpected experience, either a [00:12:40] challenge or a success in growing your biotech startup? Yeah. I

Ronan O'Hagan: mean, I think one of the, one of the really interesting things to have to me has been. You know in the context of what we're doing at back this is you know this isn't wasn't set up out of a venture capital incubator it was set out as a result of foundational work done at a [00:13:00] pretty health which is a digital health related company that was set up by jim allison and and others pam sharma key flirty linda chin.

Uh, and I got involved in that to, uh, work on the translational side and understand how we could take, uh, care for patients, utilize the information we were [00:13:20] learning from treating those patients to, to understand therapeutic opportunities. So one of the things that became really interesting as I did that was in, in sort of pursuing funding for independently for Bectus.

It turns out that there are a lot of people who are very mission driven in the cancer field and are very sophisticated from an [00:13:40] investment standpoint. And so I was, I was really pleasantly surprised to see how many people are interested in investing for return on mission in addition to return on investment.

And I think that's, that's been a real pleasant surprise because that's been one of the things that I've been passionate about, uh, for a number of years [00:14:00] is, is understanding, uh, for example, uh, you know, the, the, uh, the concept of cancer health equity, which is something that appricity was designed to address was to enable cancer therapy.

In outside of major academic centers. So in community practices, which often have more diverse populations and the extension of that, from my [00:14:20] perspective, was in order to bring equity in the future. You need to be inclusive in research today to understand the entire disease population on. So as as I've sort of fleshed that the vision I have there for being more inclusive around the research and the appreciate platform, I'm Uh, it's clear that there are people who have very similar [00:14:40] goals from a mission perspective, uh, and from a funding perspective.

And then that mission now is manifest in what we're doing at Bectus is taking that more inclusive approach as a platform, taking those, that data and information into Bectus as a way to bring forward the therapies that we're developing specifically within Bectus there as [00:15:00] a therapeutic company. Great.

Hall T. Martin: Well, is there anything crucial about your biotech startup that we haven't covered yet? I

Ronan O'Hagan: think, I think we've covered almost everything. I think one of the, one of the things that, you know, that, that is clearly important as, as you build any company. Is not just it's not just about the science it's about people and so that's one [00:15:20] of the things that you know that i'm really excited about is is an opportunity to continue to work with people i've worked with in the past and and bring sort of reconstitute different teams together into into the back to steam and so i'm excited about where we're where we're going now both on the science and this next step which is really building a team because we've sort of done it on a What I would describe as a very [00:15:40] capital efficient model through, you know, me and then colleagues, former colleagues of mine as consultants and outsourcing the work.

And we're in the process now of raising funds that will help us to really bring that team internally so we can drive the program successfully into clinical development really quickly towards the end of this year.

Hall T. Martin: Great. Well, in the biotech space, one is often [00:16:00] pitching to people who are not familiar with the space.

How do you convey the potential of your products to a non scientific

Ronan O'Hagan: investor? Yeah, what I would say is, you know, about 80 percent of cancer patients today don't benefit from the existing therapies. They're not cured. And what we're doing at Bectus allows us to find specific [00:16:20] patients who will benefit from specific drugs.

And the, the, the lead program we're working on at Bectus will help. A quarter of all of those patients who don't benefit from existing immune based cancer care. So I think that's a really impactful opportunity for Bectus as a company and a very clear, [00:16:40] uh, benefit to, uh, to the cancer community.

Hall T. Martin: Great. Well, in your pitch, which slide do investors typically find most important, especially regarding the exit strategy?

Ronan O'Hagan: Yeah, I, I think, you know, there, there, it depends on the investors you're talking to. Uh, I think what I just articulated in terms of the potential impact of Bectus often resonates when we talk to family offices and [00:17:00] high net worth individuals, uh, when we talk to venture capital groups, they tend to have more technical people on the call.

And so the data that we show that demonstrates that with our lead antibody, we can cure cancer, at least in animal models, um, suggesting we have best and best

in class drug, potentially those pieces, I think, are [00:17:20] really important. And then the last piece that's really contributory from an exit standpoint is the fact that given we're using a precision based approach.

We're going to be able to run a very focused clinical trial in, you know, a few dozen patients that will allow us to demonstrate that our drug works [00:17:40] in patients who fit the precise biomarker criteria. And what that means is we can demonstrate activity in patients quickly, great for patients, but we can also do it quickly and inexpensively, which is really great for investors.

And so as investors think about this. You know, one of the key pieces in the biotech [00:18:00] industry is valuation or value is created by reducing the risk that things won't work. And so we're going to get very quickly to that with Bectus with the approach we have. We have a plan with our clinical trial to really get to clinical proof of concept.

Uh, with a single round of, of, of price financing and a series [00:18:20] a, uh, and to do that in, in, by 2026. So in, you know, in about 18 to 24 months from now. Great.

Hall T. Martin: And so what's the average investment whole time for biotech investors? You know, considering the industry's timelines, what exactly is it? Yeah,

Ronan O'Hagan: I, I think when you, again, it depends on the investor.

And, and so in many cases for, for [00:18:40] platform based companies, you're looking for longer term investors. I think the venture investment timeframe, timeframe, uh, with people who are. Understand the biotech industry. It tends to be more in the range of maybe six to eight years. I would say you could sort of extend that range out to five to 10.

It is challenging to get to an exit and a return on that investment in, in under five [00:19:00] years. And I think that's one of the unique features at Bectus, right? As, as we're raising a series a in 2024, there's a potential return on that investment because the profile of the company will be consistent. With an exit, that's, of course, buyer dependent.

It's not dictated by us. Um, but if the public markets were there, there's a potential investor exit. [00:19:20] And certainly the if the quality of the data stands up to what it, uh, the potential of the early data is, then I think we'll be

ready for an exit in a two year time frame. And that's a very rapid return on investment.

I would say in the biotech space. There's often multiple

Hall T. Martin: exits, you know, clinical one, clinical two, FDA approval. How do you know

Ronan O'Hagan: which one to [00:19:40] choose? Yeah, I mean, when I, when I describe exit, I, I'm talking about it as a, an exit from an investment standpoint where, you know, the company is acquired or there's a public offering which allows the early investors to, to, to sell their shares in the company.

I think value creation is really important and [00:20:00] there are clearly important step ups in biotech valuation. The first of those is when you get preclinical proof of concept that your molecule, your, your therapeutic target is the right one. You have a drug that will modulate it and, and treat the disease.

We've achieved that with Bectus. So that's the first really important milestone. And then. The [00:20:20] second thing is potentially safety, demonstrating that your molecule is safe. I'm not, I don't think that's as critical a question point, question with the work we're doing at Bectis, given, uh, the, the particular mechanisms, but we're in the process of developing that data.

And then the next really important and major value inflection, if you look at the way, uh, biotech [00:20:40] companies are, are valued typically in sort of the comps. So to speak, is that clinical proof of concept, which typically one gets in a phase two study that shows therapeutic benefit for patients on. We're going to be able to do that in a very small, more focused study because of the biomarker based approach.

And of course, the last [00:21:00] really key value inflection point. Uh, in the development phase is registration and approval of the drug by the FDA. And then you move into the commercial realm, at which point you can value the company much like you do traditional, uh, companies as opposed to in a, in a sort of a risk based assessment.

Hall T. Martin: Well, in the last [00:21:20] minutes that we have here today, what else should we cover that

Ronan O'Hagan: we haven't? I think we've covered everything that, that was on my, on my list. All I appreciate it. The client, great questions. I really

appreciate the conversation. I don't think there's anything else that, that, that, uh, remains.

Uh, unsaid unless we want to go for hours and hours, so.

Hall T. Martin: No, that's great, uh, appreciate the, [00:21:40] uh, uh, answers to the questions today. Uh, so how best for listeners to get back in touch with you?

Ronan O'Hagan: Yeah, I think the easiest way to get in touch with me is certainly through my LinkedIn profile, which is just, uh, under my name, so you can look under Ronan O'Hagan.

And, uh, the other way, one, another way to do that is one can reach me by email, which is, uh, ronan. ohagan. [00:22:00] At Bectus TX dot com. So back to therapeutics dot com. Those are the two easiest ways to get a hold of me. Right.

Hall T. Martin: We'll include those in the show notes. Want to thank you for joining us today. I hope you have you back for a follow up

Ronan O'Hagan: soon.

Great. Thanks all. Really appreciate the conversation and the great questions.