

- Tobin Smith:* Hey, this Tobin Smith of Next Big Thing Investor, and as you know, we're always looking for the next big thing in biotech, because this is the future. The future is now for a lot of these technologies, but we're with Jeff Riley of Synthetic Biologics. Now, why is a dazzling handsome man like you want to be involved in synthetic products, and what is a synthetic biology?
- Jeffrey Riley:* What is synthetic biology? What is that? Well, we're a custom designing molecules, both monoclonal antibodies, proteins, DNA, to really try and address some of the nasty issues that exist within the healthcare field.
- Tobin Smith:* Well, when you say nasty issues, particularly infections, correct?
- Jeffrey Riley:* Our primary focus is infections. We're going after various gram-negative bugs; bacteria.
- Tobin Smith:* All right, let's stop you. Gram-negative bugs.
- Jeffrey Riley:* Bugs. Nasty bacterium \_\_\_\_.
- Tobin Smith:* All right, thank you. Is that a scientific term, bugs?
- Jeffrey Riley:* Bugs. That is our term for that.
- Tobin Smith:* Okay, all right, so nasty ones. This is like \_\_\_\_\_. These are like the things, the flesh eating stuff.
- Jeffrey Riley:* These are acid needed bacteria, pertussis, things that historically, all old style, broad spectrum antibiotics, \_\_\_ molecules have been fairly effective at treating, but resistance has built up now, over the last two \_\_\_\_\_.
- Tobin Smith:* So everybody's been taking an antibiotic every time they have a cough or a sneeze, people end up - these bugs change, right?
- Jeffrey Riley:* Yup.
- Tobin Smith:* You build up resistance. So what is what you guys do that allows you to get at these things where azithromycin or other type things start losing their horsepower.
- Jeffrey Riley:* Well, azithromycin and these other drugs still work fairly effectively at the majority of bugs. However, some of them are very, very resistant to these types of therapies. So we're, again,

we're custom designing monoclonal antibodies to attack on a bacterium by bacterium basis, which is relatively new.

*Tobin Smith:* So this is – if azithromycin is a shot gun, you guys are a sniper.

*Jeffrey Riley:* There you go.

*Tobin Smith:* You can go right at \_\_\_\_\_.

*Jeffrey Riley:* Bingo, that's it.

*Tobin Smith:* So, what's the furthest along in your pipeline?

*Jeffrey Riley:* So we have a drug that's been up for a Phase Two. It's for a clostridium difficile, or in abbreviated form, c. diff. Nasty hospital acquired infection.

*Tobin Smith:* Correct. It's the number one hospital acquired infection.

*Jeffrey Riley:* Nasty, nasty.

*Tobin Smith:* And in the United States, Medicare and other payers now are starting to look at that infection rate, and that affects how a hospital is reimbursed.

*Jeffrey Riley:* As we understand it, in the year 2015, the burden of paying hospital acquired infections will be on the hospital itself.

*Tobin Smith:* Absolutely right. So that's a neat target for you to go at.

*Jeffrey Riley:* Very, very good.

*Tobin Smith:* Hospital's gonna have to have something like this. In your business, it's years and years and years till you get a product, so you're at a Phase Two level. When you have successful data from that, hopefully, then you go to Phase Three, right, where you do \_\_\_\_\_?

*Jeffrey Riley:* That's correct. That's correct.

*Tobin Smith:* And when you get in this type of a targeted stuff, how do you decide which one? Obviously, maybe the hospital one is a – there's a lot going on there, but how do you pick up the ones you want to go after?

- Jeffrey Riley:* Well, in our particular company, we're fairly commercially driven, so we look at what the commercial opportunities are and back into what the particular disease state that we want to go after.
- Again, with clostridium difficile, the majority of products out there are – it's caused by too many antibiotics, basically, when you're in the hospital. Current therapy is more antibiotics. Ours is not that way. Ours is an enzyme. It's a preventative beta lactamase, which is absolutely fantastic and we think is going to revolutionize treatment for that particular disease, and hopefully, fix things.
- Tobin Smith:* All right, cool. So, in your business, there's a lot of money that goes into this stuff. So, what's your financing strategy here? How do you raise money, et cetera, to go after this stuff?
- Jeffrey Riley:* So we area a public com. Ticker symbol SYN.
- Tobin Smith:* Very good.
- Jeffrey Riley:* And we raise money through the capital markets. We also have one hell of a solid investor base today, with our primary shareholder being Randal J. Kirk, who is one of the premier investors and CEO chairman-type folks in our industry.
- Tobin Smith:* That was very good, by the way. He's not Captain Kirk, but do you call him maybe El General Kirk?
- Jeffrey Riley:* I'm sure some folks call him that. We just call him our lead investor and a generally good guy.
- Tobin Smith:* All right, great. So, here's the idea. As this world gets more and more targeted, is this world – and so bioforma starts to take on sort of big issues with a sniper guy, not a shot gun. This is the next edge in biotech, and if you're looking for the next big thing in killing bad bugs, it's right here. Thanks for being with us.
- Jeffrey Riley:* That's it. Thanks, guy.
- Tobin Smith:* All right, man.
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