

Transcript of Matt Lipscomb interview for ME15 video blog

SPEAKERS

Matt Lipscomb, Kathryn Sheridan

Kathryn Sheridan 00:00

I'm Kathryn Sheridan from Sustainability Consult and I'm joined today by Matt Lipscomb CEO and Founder of DMC Biotechnologies. And ahead of ME15, we wanted to talk about where the biotech industry is today, and especially around challenges and opportunities. Welcome, Matt.

Matt Lipscomb 00:16

Hi, Kathryn.

Kathryn Sheridan 00:18

So biotechnology for the pharmaceutical industry has enjoyed incredible success, especially lately, as we saw with the response to the COVID 19 pandemic. And you've said that biotechnology has similar enormous potential to favourably impact other industries as well. So what do you think is holding the industry back?

Matt Lipscomb 00:40

That's a great question. So as we look at the challenges in the field, and there are several historical barriers, so first and foremost, it's the time and the cost to get to commercial scale. So Lux Research published a study in 2015, where they review the prior 15 years of examples. And their estimate was that on average, it has taken more than seven years and more than \$75 million per product to get from concept to commercial scale. The root cause if you take a next level, deeper on that has been fundamentally the processes were artisanal in nature. So they weren't standardized, they weren't able to be reused or repurposed. They lacked robustness or the ability to withstand, you know, true industrial conditions. And there were real challenges around predictability. So getting results at one scale to reproduce that at the next larger scale. And, you know, the net result of all that has been that while there are definitely some very good successes in industrial biotech, for the use to make chemicals, there's just simply haven't been enough. And there's been some some pretty large failures, to be quite honest. So we as a field, as an industry need to get some more wins to really demonstrate the power and the potential of the technology.

Kathryn Sheridan 01:53

How is DMC different?

Matt Lipscomb 01:54

So we've addressed those historical barriers by developing a technology platform that really is Made to Scale. So we've addressed this notion of standardization, where we have a single fermentation process that's independent of product or scale. So we've eliminated that artisanal nature of historical

fermentation. We've done this in the context of creating bioprocesses that can withstand a much broader set of conditions that will be encountered inevitably at full commercial scale. So we refer to this as robustness. And most importantly, we're the first in the field to demonstrate predictability from high throughput all the way to full commercial scale, eliminating all the time and effort and money that's been historically required for process development. And each one of those, and all of those things at the end of the day, you know, result in basically much more efficient both time and cost and getting products from concept to commercial. And we've now demonstrated that, you know, for multiple products up to pilot scale and our lead product all the way to full commercial scale.

Kathryn Sheridan 02:57

And, you know, recent events probably have not made it easier for you.

Matt Lipscomb 03:01

And no, that's certainly true. So when I'm asked, you know, one of the challenges that I anticipated from starting a company, things like a global pandemic, or, or a bank run, were not some of the challenges that I had anticipated at the time. But they're real, very real conditions that all of us in industry in the world are dealing with today.

Kathryn Sheridan 03:22

I mean, these are some of the challenges. So what do you see as the drivers for growth today?

Matt Lipscomb 03:28

Yeah, that's a great question. And this is, this is actually a really exciting time to be working in the field. And so unlike, you know, two decades ago, there's real commitment from customers who are demanding more sustainability, who are demanding decarbonisation in the products that they buy, and moving up the supply chain, brands are responding to that. So they're actively deploying capital to improve the sustainability footprint of their products. And that's continuing to go up the supply chain. So now the chemical companies that serve those brands are actually responding in a very favourable way, not only by setting audacious goals for net zero by 2030, 2040, 2050, but they're putting real capital to work to get this done. They are daunting and challenging goals. But this is a level of commitment that we haven't seen prior, which is really exciting. I think going hand in hand with that we're also seeing the regulatory support coming from the US and from Europe as well. So the Inflation Reduction Act and in Europe the, you know, the Carbon Border Adjustment Mechanism and the Green New Deal in Europe. These are all great developments from the regulatory front that are supporting this, this drive and real capital deployment towards net zero.

Kathryn Sheridan 04:35

And when we talk about net zero by 2030, 2030 is really not very far away, especially when we look at innovation cycles, investment cycles, and so on. So, how do you see DMC fitting into this whole picture?

Matt Lipscomb 04:49

So at DMC we've developed and are now deploying a technology that was Made to Scale so we by that I mean, we started with the end in mind and we said look, what does an industrial biotechnology

process need to look like? And we worked backwards from there to say, what are the genetics, the fermentation? What are the tools we need to make this happen? And that's what we've demonstrated. So we've addressed those key barriers around speed getting to scale and efficiency and standardization. And we've now proven that we can deliver a commercial ready processes on a timeline and a cost line that's been unprecedented in the field.

Kathryn Sheridan 05:25

I'm sure that we can all appreciate how essential speed and scale are for getting biobased products to market. And it does seem like DMC is really well positioned to make that happen. I also saw that you've been hiring a lot of new people recently.

Matt Lipscomb 05:40

We have so the last several quarters have been very exciting in terms of the growth of the company. So we've more than tripled in size in terms of our internal team, compared to where we were a little over a year ago. So it's both very exciting and obviously a very challenging time in terms of bringing lots of new people into the organisation.

Kathryn Sheridan 05:59

Yeah, well, I think that's all we have time for today. Thanks a lot, Matt for taking the time to talk and best of luck for the coming months.

Matt Lipscomb 06:06

Thank you, Kathryn.