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Boulder biotech companies MBio, Brava merge amid rapid growth

By **CHRISTOPHER WOOD** | PUBLISHED: August 7, 2020 at 6:41 p.m.

Two Boulder biotech companies have merged amid a COVID-19-related growth spurt that has seen employment at the two firms grow by 150% since the beginning of the year.

MBio Diagnostics Inc., which developed the LightDeck testing platform, and Brava Diagnostics Inc., which develops tests for that platform, merged at the end of July. Terms of the deal were not disclosed.

The LightDeck optical system employs disposable cartridges — containing blood, water, nasal samples, saliva or some other substance — and uses fluorescent readers and intuitive software to measure up to 50 analytes, or substances, in a specimen. The device can determine whether a person is having a heart attack, has sepsis, or, for example, has COVID-19.

MBio's system can also be used for veterinary diagnostics and environmental testing, as well as many human ailments, but it's the rapid test for COVID-19 that has seen the company's employment skyrocket, from a combined 18 people at the beginning of the year to 45 today, said Chris Myatt, MBio CEO.

"When all of this was just hitting … the world exploded around us, and we said, let's pull it all together," Myatt said of the two companies.

MBio and Brava have a close history, since Brava was formed in August 2018 by principals Byron Hewett, David Okrongly and Carrie Mulherin. Brava raised $4 million to help the company's launch, and MBio invested $500,000 in Brava upon signing of a license agreement in November 2018. That agreement focused on Brava modifying the LightDeck system to meet the needs of human in vitro diagnostics.

"We had done some preliminary work along the lines of what Brava had done and was intending to do, but they had a very clear vision of where those opportunities are in the diagnostic space," Myatt said, adding that the Brava principals have "decades-long in vitro diagnostic experience."

Brava originally licensed the LightDeck platform to develop and commercialize diagnostic tests in the acute-care field. The MBio and Brava teams pivoted resources in April 2020 to develop a multiplex COVID-19 Antibody Panel, and plan to commercialize that test under a U.S. Food and Drug Administration Emergency Use Authorization later this summer.

Myatt said COVID-19 spurred the company's growth, and prompted the decision to merge the two companies.

"We were working together, and as COVID hit, it became super clear that we needed to be working on this together," he said. "It was a very important factor."

Myatt noted that the expedited FDA approval cut two years off of MBio's product-development time.

"We were expecting, with all of the quality aspects and clinical trials and all of the aspects of bringing a product to market under standard FDA rules, it would be some time in 2022," he said, noting that approval now is expected this September.

"The changes that the FDA has done to bring some of these technologies faster to the market are unprecedented," Myatt said.

With the merger, Brava will operate as the human in vitro diagnostics division of MBio, developing "a portfolio of point-of-care tests where lab-quality results are vital in making time-critical decisions," the companies said in a statement.

In addition to COVID-related work, development is ongoing for a next generation test for heart attack: a high-sensitivity test for the emergency department.

MBio has also commercialized LightDeck for use in water testing and veterinary medicine through an exclusive arrangement with Loveland-based Heska Corp.

As employment has soared at the combined MBio and Brava, so, too, has demand for space. Myatt said that the company is leasing an additional 10,000 square feet at its 5603 Arapahoe Ave. location in Boulder, on top of the 17,000 square feet that it already occupied.

He said employment could reach 60 to 65 by the end of 2020.

“I don’t see that growth rate ending soon,” Myatt said.

MBio has secured $25 million in grants since its inception, including from the Small Business Innovation Research/Small Business Technology Transfer program, the National Institute of Standards and Technology, the National Institutes of Health, the Biomedical Advanced Research and Development Authority, and the Defense Advanced Research Projects Agency. The grants have helped fund feasibility studies, product development and clinical studies in sepsis, host-response and environmental testing.

Additionally, the company has raised $21 million in equity funding, not counting a current round that is not yet closed, Myatt said.

Myatt said that growth such as MBio is experiencing is extremely capital-intensive. The company has various options for financing that growth, one of which could be an initial public offering.

“IPO is a potential, but there’s a number of other ways that we can fund the growth,” he said.

Myatt declined to share revenue numbers but said the business is “running at a few million [dollars] a year,” is “growing nicely,” but not yet profitable.