Interview: Paweł Przewięźlikowski, Co-founder & CEO, Selvita, Poland



06.04.2014

Selvita is one of Poland's R&D jewels, and its co-founder and CEO, Paweł Przewięźlikowski, strongly wishes that others would join their efforts in finally raising Poland's footprint in R&D. He believes this revolution will come from Krakow, as he adds: "My personal hope is that someday Krakow becomes the Polish Boston."

Selvita has its offices in Krakow, a city that many consider to be Poland's innovative center. What makes Krakow such an interesting place to be based?

Krakow is absolutely the scientific capital of Poland: it has the highest share of renowned publications on molecular biology, and many other areas, in the country. Adrenalin and prostacyclin were both discovered here. Krakow is home of the best universities and research institutes in the country: the Institute of Pharmacology and the Jagiellonian University, where Copernicus studied. This is also where a famous drug hunter called Leo Sternbach studied. In the 1920s, this Croatian Jew immigrated to Krakow. During his PhD, he started working on interesting compounds and structures that were later developed here. From his outstanding research, he was spotted by Roche Switzerland where he began his professional career. It was not long until he generated the most prescribed drug in the history of the pharmaceutical industry, Valium, with 2.3 billion pills sold per year. Even the Rolling Stones wrote a song ("Mother's Little Helper") about this anti-anxiety drug. This drug was the fruit of his studies at the Jagiellonian University, only 5km

away from our life science cluster in Krakow.

In the last seven years the Polish biotechnology sector has seen the emergence of highly ambitious companies, investing in R&D and with clear goals to showcase the potential of Poland's biotechnology sector. Selvita is an R&D role model to come out of this revolution. How did it all start in Krakow?

After a successful career in the IT industry, I wanted to set myself a new challenge and thus came upon the idea for Selvita in 2007. To bring together my vision of a successful business, four mandatory conditions were to be satisfied: develop the business in Krakow, work with highly skilled and intelligent people, find long-term financial sustainability, and most importantly, be useful to mankind. With my co-founder, it soon became clear to us that starting the first real Polish drug discovery company was the best solution, and so began our adventure.

Of course, this was ambitious at that time, but both Selvita co-founders are very risk-averse so every detail was carefully assessed and our actions meticulously planned. By using a hybrid business model which combined an internal pipeline and drug discovery service, we leveraged risk. Moreover, through our investments and partnering deals for the development of our pipeline and services, our business structure strengthened rapidly.

Our pipeline today is still early stage, which allows us to support many programs at the same time, remain independent from the outcome of any single clinical trial. In this sense, Selvita has been on a safe trip on a Polish biotech rocket since day one. This strategy has not changed since 2007, and today risks are even further mitigated because we have received excellent support from the European Union and the Polish government, having secured USD 22 million in grants.

How do you feel today about being recognized as the largest R&D focused biotech company in Poland?

We certainly are proud of achieving this, although Selvita is still relatively small. The very fact that a 200 people team is the largest drug discovery team in a country with a population of 40 million is not something to be proud of.

Poland is on the right path: since last quarter, for the first time since the Communist era, Poland achieved a trade surplus. Now that the manufacturing side is performing well and our IT base in

Poland is strong, we need to improve our research-based industries and our knowledge economy.

The challenge today is that we still lack managers with international expertise, which means that we need to bring in managers from Western countries to help organize and lead Polish scientific teams. Also, Poland does not have the reputation that it deserves abroad. We are not a third world country and the international community needs to realize the potential of Poland for advanced research and development business opportunities.

My personal hope is that someday Krakow becomes the Polish Boston. We have Jagiellonian University, which is our Harvard and the equivalent of the Polish MIT (Massachusetts Institute of Technology) called Akademia Gorniczo-Hutnicza. We also have a strong healthcare system with multiple hospitals, clinical trials and a well-established IT/Internet industry, which gives Krakow this high technology culture. However, we are definitely not the Silicon Valley of Poland as our culture, values and entrepreneurial style makes us more east coast than west coast.

Maciej Wieczorek, Founder and CEO of Mabion said: “Research is an adventure with many ups and downs that ultimately lead to competitive advantage.” Do you share the same perspective?

This certainly is the case. If you do not compete on R&D, then you must compete on cost. But Poland should not be pictured as a low cost country. Regardless of our history and pitfalls over the years, Poland must create a competitive edge, and this will be achieved by investing in innovation and increasing the size of the country’s R&D footprint.

Selvita has received many awards throughout the years. What would you describe as Selvita’s main accomplishment?

In March 2014, we were nominated as one of the five best companies on NewConnect (an alternative share market allowing smaller companies to float shares run by the Warsaw Stock Exchange). Out of these five companies, three were in the life sciences industry (including Selvita). If you take into account that 60 percent of the most attractive companies on NewConnect are life sciences companies, clearly the financial world sees drug discovery as a viable financial model and we should be proud of this.

NewConnect was created for companies like us: highly ambitious, results driven and capable of offering value-added products. Certainly, this well help us prepare the next part of our development.

The fourth quarter of 2013 was the first reporting period in which the Capital Group Selvita S.A. recorded an operating profit (excluding one-offs). What does this represent for Selvita and how will you maintain this trend?

This last quarter was our first profitable quarter in Selvita's history, truly a landmark for us. This year we are following a dual strategy, which encompasses key partnerships to help us build on our most advanced programs. We are also speaking with investors form Warsaw's stock exchange to increase our capital.

Given the strong financial performance and the support you are receiving, how do you envision the future growth of the company?

We shall rely on international partnerships to develop our company, and since today 90 percent of our revenues come from export sales, it is crucial to maintain this international focus. These partners include both medium-size biotech companies and large pharma companies around the world. Our partnering discussions are very active and we have committed ourselves to one large and one small deal by the end of 2014. Our ongoing deals with Merck Serono as well as H3 Biomedicine are rather small as they are based on co-discovery collaborations, but they comfort us in our ability to deliver good results to our partners. Large deals would imply candidate-based collaborations and this is our aim.

By 2020, our aim is to have one thousand people working for Selvita (800 in services, 200 in internal pipeline). We are also targeting fully owned Phase II programs in oncology, and a market capitalization of roughly USD 415 million. We are also planning 30 percent yearly growth and significant advancements of our pipeline.

On a final personal note, I would like to express that my main motivation has always been to help patients, and this means that I will not be satisfied until we manage to get our first drug to clinical trial and make a difference in a patient's life. For the last seven years, Selvita has been successful with an attractive business model, but the reality is that not a single patient has yet benefited from our endeavors. It will come, and I very much look forward to this day. Finally, I want Selvita to act as a role model, a lighthouse and an example for other entrepreneurs and young companies to start a similar journey.

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