

Jordi Naval - CEO, Biocat, Spain



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Jordi Naval, CEO of Biocat, describes the evolution of the BioRegion of Catalonia as an increasingly relevant biotechnology hub in Spain and Europe. Naval also elaborates on the role of Biocat in tackling the challenge of translating basic research into functional innovation which can impact the healthcare ecosystem.

What have been your priorities since joining Biocat in February earlier this year?

I am an entrepreneur myself in the life sciences sector and understand the story of bringing an idea to the market. One of the key ventures I have been involved with is AELIX Therapeutics – a company developing a therapeutic vaccine for HIV, which has just collaborated with Gilead to develop a new disease treatment method. Upon joining Biocat as CEO, I recognized that I could start one company every five years, but through Biocat, I could help create five new companies every year instead.

How would you describe the current status of the BioRegion of Catalonia?

Historically, Catalonia has always been an industrial region. Now, we are on the next step of entrepreneurial development based on strong scientific groundwork. In this regard, Catalonia is comparable to countries like Denmark, Belgium, Austria, and Ireland in terms of GDP and

population. Although the investments in life sciences have grown substantially in recent years, the BioRegion of Catalonia is not at the same level of investments as these countries. Nevertheless, Catalonia plays in the same league, which creates a [massive opportunity for growth for the region](#).

The [life sciences and healthcare sector accounts for 7.2 percent of the region GDP](#), with EUR 31,087 billion per year and more than 223,000 jobs. In total, 1,060 life sciences companies and 89 research organizations operate out of Catalonia. The companies in the sector produce a yearly turnover of approximately EUR 17.8 billion and employ 53,731 workers.

How does the life sciences sector of Catalonia compare to that of Madrid?

Over the last ten years, we have seen a very positive paradigm shift in the competitiveness of the BioRegion of Catalonia against the rest of Spain. In 2008, Barcelona replaced Madrid as the most scientifically productive city in Spain. 50 percent of MNC's in Spain continued to be headquartered in Madrid, however, in Barcelona you will find a vast majority of the large local companies and innovators. The remaining organizations are typically split between the regions of Madrid, Basque Country, and Andalusia.

In terms of research, about 39.2 percent of Spanish articles published via the Scopus database in 2015 were produced in Barcelona versus 36.6 percent authorized in Madrid. Additionally, in 2016, a total of 362 patents were granted in Barcelona while Madrid received 237.

Today, more than 60 percent of all the healthcare and biotech innovation of Spain is happening in Catalonia, and Barcelona is where international investors are really coming to look for breakthrough innovations with a global reach.

What is the level of investment being attracted to Catalonia by the life sciences sector?

The [level of investment over the last few years has increased substantially](#). We have reached the level of around EUR 130 million invested yearly into local companies having moved from EUR 50 million in 2014. A majority of investment is sourced by the private ventures rather than public funding; which makes the narrative of the sector more interesting. This level of investment, you may only find that a figure of approximability EUR 20 million comes from public funding.

Between 2015 and 2017, Catalan start-ups in the healthcare sector attracted EUR 340 million in investment, three times more than in the 2013-2015 period, through 2014 investment operations.

In 2018, companies raised EUR 100.2 million from January to October and the sector is expected to surpass the investment attracted in 2017 this year (EUR 107.3 million).

72 percent of all venture capital attracted by Catalan start-ups in the sector this year (specifically EUR 42.7 million of a total of EUR 60.9 million) was through rounds of funding with international participants. In addition to specialized local investors like Ysios Capital, Caixa Capital Risc, HealthEquity, Inveready and Alta Life Sciences, the Biocat Report highlights the significant growth in foreign investors committing to Catalan companies in the healthcare sector. In just 10 years, the number of foreign investors participating in these companies has gone from 0 to 50 and over the past five years alone, the figure has increased tenfold. These investors come from all over the world including the US, UK, Switzerland which shows that the value of the region is recognized globally.

The capital raised through rounds of investment with international participants has also doubled in recent years, from EUR 85 million in 2013 to 2015 to EUR 211 million in 2016 to 2018.

What attracts investors to the BioRegion of Catalonia?

Firstly, and of course, [most importantly, is science](#); without the science, there is no BioRegion. Another aspect that differentiates the region is the dedication of local investors. Investors like Ysios, Caixa Capital Risc, HealthEquity, Inveready, Alta Life Sciences and new entrants like Asabys and many others have been the drivers of the Catalan success story and without them this growth would not have been possible. They invest here and abroad, at the same time bringing other foreign multinational biotechnology players into the region.

The [clinical trial environment of the BioRegion of Catalonia is equally very impressive](#). Trials can be conducted in Barcelona hospitals at a reasonable cost with excellent quality and involving top notch clinicians and sites. A full preclinical to post clinical program can be carried out in Catalonia for half the cost or less than in other key regions in Europe, the UK, or the US.

The [professional ecosystem in the region is also well established](#) to support the life sciences sector. Along with the many local pharmaceutical companies, Catalonia has abundant regulatory, CMO, licensing, and IP experts. There is not a lack of resources needed to launch innovative ventures; the entire professional infrastructure is already in place to cultivate start-up companies.

Finally, the stakeholders of the region share consistent values and an entrepreneurial mindset to nurture biotechnology. Companies like Grifols, Werfen, Almirall, Ferrer and Esteve are international

success stories born from the BioRegion of Catalonia that continue their progression. There is a strong presence of homegrown infrastructure and talent in bio; these companies reflect the global and innovative attitude that exists in Catalonia.

What are the main activities of Biocat as the foundation strives to translate basic research into tangible innovations which bring value directly to society?

[The role of Biocat](#) is to create effective marketplaces and optimize the innovation process from science to implementation. We consider ourselves as an innovative agency; more importantly, an accelerator. Traditionally, accelerators have training, networking, mentoring, team building, and product demoing modules organized in a sequential fashion. However, this framework is ineffective for innovation technology coming directly from hard science. Principal investigators (PI) do not have the time for these intensive activities; what must be considered is how can this process be tailored to the scientists who prefer to dedicate their time to the lab.

Our solution is to structure an acceleration model into flexible modules which can fit the needs of the relevant players. Our training module is a separate concept that can be done freely at the convenience of PIs. Networking activities are aimed to bring the scientific and business players into conversation; linking CEOs to CSOs. These individuals are not often present in the same realms but do want to meet each other. It is also important to consider Technology Transfer Officers (TTOs) who are key players in technology transfers, which is crucial in the process.

Demoing is another crucial activity of project development. However, an eight-minute demo session is ineffective; it is not enough time for the scientists to learn about potential, future management, or for the investors to truly understand the hard science principles behind a project. Therefore, we organize the opportunity for TTOs, PIs, and investors to establish a dialogue among one another to share goals and investment objectives.

These activities are interesting for investors to begin a dialogue and helping connect the right people for the right projects at both the domestic and international level. We also send the scientific stakeholders to relevant biotechnology environments like France, the UK, and Switzerland to attract these international investments to the country.

What are the challenges to be faced by Biocat in developing the bio-ecosystem of Catalonia?

In Catalonia money is maybe not the major challenge; neither is science, administration, or framework. What the BioRegion of Catalonia lacks is human capital at the C-Level; serial entrepreneurs and business leaders in the biotechnology industry. There are excellent professionals at the regulatory and operational level, however, the region needs more CEOs and CMOs. Establishing a world-class, executive population is very difficult; it is a highly competitive area in which all countries and regions are rivaling. For start-ups to gain investments, there needs to be a strong relationship of trust in who will lead the company forward. The region has an abundance of talent, but [a critical mass of experienced decisions makers is needed to spearhead the sector.](#)

But the good news is that attracting human capital to Barcelona is very feasible, thanks to the excellent quality of life and human environment of the city.

What is your vision for the future of Biocat and the BioRegion of Catalonia in the next five years?

In the future, we want to establish a proof-of-concept assessment initiative; a key area in biotechnology. We have many projects across the entire value chain, from high potential research to a start-up organization in their early stages. These investigative trials will streamline the innovation pipeline and keep the biotechnology ecosystem lean. We always keep in mind the priority of Biocat to transform the BioRegion into a result driven ecosystem as efficiently as possible.

From [our Vision 2025](#), we project private investment growth from EUR 130 million to EUR 500 million in life sciences. As a result of the sector's evolution, in terms of social impact, Biocat estimates at least ten products and advanced technologies developed in the BioRegion of Catalonia will reach patients by 2025. We hope to compete with cities like London and Oxford with the growth and quality level.

What is your final message to those investors looking to go down the path of bridging science and business together?

Barcelona and Catalonia are the ideal places for ambitious players in the life sciences sector, whether it be to realize their projects or find new opportunities. To go beyond the multinational career path, the change can be found here. Another important trend is the growth of women in the

sector. [More than half of the CEOs of new companies in the BioRegion of Catalonia are women](#). This is very relevant to the culture of the region and industry.

There is a strong sense of [entrepreneurial spirit](#), value sharing, professional excellence, and creativity in Catalonia. This is not only present in the life sciences sector, but all economic areas. In spite of the political turmoil (or thanks to that), the region has emerged strongly in a positive trend. There is a rich potential for Catalonia as a leading global player in biotechnology that cannot be overlooked.

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