Hugues Bultot â?? CEO, Univercells

Frontier markets, particularly in Africa, present great opportunities for setting up facilities for vaccine manufacturing and indeed entire biotech ecosystems

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Univercells is a group of companies founded a decade ago based around the concept of revolutionizing the availability of biologics around the world through making essential medicines affordable to all, in both quality and price. CEO Hugues Bultot outlines the scale and scope of the organisation today, its fundraising and partnership journey, and some of its key manufacturing projects in African frontier markets.

Can you begin by briefly introducing Univercells and the problem you and co-founder JosÃ© Castillo set out to solve when creating the company ten years ago?

Univercells is a company that is focused on biomanufacturing within biotech and life sciences. When we started the company in 2013, our mission was to make biologics accessible to all, which aligns more with impact entrepreneurship rather than traditional biotech entrepreneurship. Our approach was to start with this mission in mind and then develop a strategy and tactics to achieve it.

There are two important aspects to consider in relation to our mission. First, the mission itself was derived from our entrepreneurial journey. We had previously founded another company called Artelis, which operated in a similar market and focused on bioreactors as an enabling technology for biomanufacturing. It was a disruptive innovation aimed at reducing the cost of goods sold and manufacturing expenses. However, we realized that the value we created through this innovation did not reach the patients as intended, but instead was captured by various players in the industry. This was a disappointing realization for us. So, we decided that we didnâ??t want to just develop enabling

technologies; we wanted to have a direct impact and ensure that the value we created would benefit patients. It may seem subtle, but it has a significant psychological impact when you have a clear objective that guides your daily actions.

How does the companyâ??s model, â??a campus of start-ups/scale-up solving different parts of the same puzzleâ?•, and strategy differ from that of other CDMO-type organisations?

While we do develop technologies, if you look at the competitive landscape, youâ??ll find other players combining technology with services as well. What differentiates us is that we are a very innovative company. Unlike big equipment organizations that primarily rely on a large sales force and on acquiring new technologies, we differentiate ourselves by our ability to innovate. This innovation applies not just to new technologies, but also to new processes, know-how, new business models and ways of doing things.

So we have â??traditionalâ?• business models within the group â?? our disruptive technologies like scale-X and NevoLine are now commercializing and scaling through a traditional model of equipment supply (and were acquired by a big equipment organization to do so); and we have a subsidiary called Exothera that offers services, and which is more in line with a traditional CDMO company. But we also bring those two offerings (technology and services) together with complementary solutions like facility design, advisory support and training, to offer end-to-end support to other customer segments like vaccine developers in frontier markets.

We do this because we recognize the needs of that customer segment to have access to more than â??justâ?• technology and CDMO services. So our business model revolves around addressing customer problems through innovation. When customers express challenges or needs, we strive to solve them by developing innovative solutions.

A perfect example of this is our entry into RNA. It demonstrates the power of our business model in action. In early 2021, we recognized the disruptive potential of RNA, especially with the emergence of COVID-19 vaccines based on RNA technology. Whilst RNA vaccines were making great progress in clinical development, we saw that manufacturing innovation was still lagging, thereby creating an opportunity in this field. We acknowledged that we couldnâ??t compete at the level of drug development, as that requires different capabilities. However, we were confident in our ability to compete with large, successful players in terms of developing an efficient manufacturing platform for RNA at scale, which became our objective.

So since then we have created a dedicated company which developed a game-changing manufacturing platform for RNA â?? and we used our two business models to commercialize this, by supplying these technologies as equipment; and our CDMO also added services in RNA.

But we didnâ??t stop there. Learning from our customers, we realized that supply chain was a significant issue in RNA in a way that differs from cell culture, so we are continuing to innovate and invest in upstream (we offer DNA-as-a-service, a key input into producing RNA) as well as RNA design (bioinformatics) and downstream (formulation).

Our puzzle is access to biologics â?? and we try to solve that through multiple different business models. We are differentiated because we donâ??t rely on acquisitions to drive innovation, nor are we positioning ourselves to be acquired. We innovate to capture emerging market opportunities and innovate to solve our customers needs as we identify them. And then we commercialize through multiple different business models.

How has the scaling up journey been for Univercells and what were potential investorsâ?? reactions to this new business model when working to generate initial interest for the company?

Our journey has been quite interesting. As founders, we had already created and sold three prior companies focused on biomanufacturing, which we felt gave us the credibility to take on Univercellsâ?? mission. However, when we initially approached investors, they were not accustomed to this type of business model, so despite being excited by the story, they struggled to know which â??boxâ?• to put us in. Investors and stakeholders are more familiar with drug developers or traditional business models like CDMO or technology. Our initial investment thesis didnâ??t garner enough traction in Europe, so we had to turn to the US to attract our first significant backers. It seemed that there was more openness to something new.

Our first shareholders primarily came from the US, and it was a crucial step for us. We then secured our first corporate venturing investor, Takeda. Even though itâ??s a Japanese company, its investment fund is located in the US. Takeda was really unusual in that they are a traditional pharmaceutical company that was at the same time willing to take a bet on a new technology and new approach. Then, the Bill and Melinda Gates Foundation played a significant role in our journey. By supporting the development of our first integrated vaccine manufacturing platform, for Polio, they not only de-risked our technology development for our shareholders, but they enshrined the importance of mission and impact into our journey. These three stakeholders, the US investors, Takeda, and the Gates Foundation, have been instrumental in making our evolution possible and supporting our vision as an impact-driven company in global health. Afterwards, the Belgian and European investors caught up and in our last Series D, their leadership and support was reflected in our shareholding.

Can you elaborate on the profile of Univercellsâ?? clients and how the company liaises with these different stakeholders?

Our clients primarily come from the biotech industry, and we consider the industry itself as our customer. We closely partner with stakeholders like the Gates Foundation and BARDA, our indirect shareholder, who provide valuable insights into the challenges faced by the industry and in particular the intersection of industry and public health, since post-COVID itâ??s clear that supporting biosecurity and health resilience is of interest to both industry and the public sector. Our objective is to work with these stakeholders to address these challenges and make vaccines, therapies and other drug products available to a global population at an affordable cost.

Each subsidiary within Univercells has its own set of customers and services. Our CDMO, for example, targets biotech as a core customer base and differentiates itself through innovation and the high-quality standards associated with Belgium. We have a large scale viral vector CDMO and nucleic acid CDMO offerings, and we strive to be successful in these niches.

Then in addition to traditional CDMO customers, we also attract interest from big pharma companies. They see our progress in developing advanced manufacturing platforms, for example in RNA, and want to learn from us. These partnerships can involve various aspects, such as identifying RNA candidates, our adapting our mRNA platform to other purposes or applications. We have a diverse range of customers, with some seeking our services for contract manufacturing based on our reputation for quality, while others view us as an innovative company and explore potential collaborations and partnerships.

Belgium brands itself as â??the pharma valley of Europeâ?• and is a key node in global clinical trial supply chains as well as the advanced manufacturing of therapies and vaccines. What are the advantages of building a healthcare/biotech/bio-manufacturing start-up in Belgium and how has Univercells been working to evolve a global footprint?

Firstly, Belgium has a strong and concentrated industry community, making it an ideal environment for networking and collaboration. The countryâ??s positioning as â??the pharma valley of Europeâ?• is justified, and it has a rich ecosystem with companies like GSK that have significant footprints here as well as several prominent figures in the global health sector. This exposure to the global health approach and close proximity to industry leaders provide valuable insights and opportunities for start-ups.

Additionally, Belgium has a favourable regulatory environment and infrastructure for clinical trials and advanced manufacturing of therapies and vaccines. It is a key node in global clinical trial supply chains, which allows for efficient testing and validation of new healthcare innovations. The countryâ??s expertise in biomanufacturing and its reputation for quality contribute to the advantages of building a life sciences start-up in Belgium.

Univercells has been actively working to grow its global footprint. We have formed strategic partnerships and collaborations with organizations such as the Bill and Melinda Gates Foundation, the Global Health Investment Fund, and global health stakeholders like BARDA. Through these partnerships, we have gained knowledge and insights into the global health segment and have integrated the principles of global health and health resilience into our mission.

Furthermore, Univercells is committed to addressing healthcare challenges in frontier markets. We believe in the power of decentralized biomanufacturing to improve access to affordable healthcare solutions and health resilience. We have ongoing activities on the African continent and Latin America and aim to be a partner in growing their biotech industries. Collaborations in frontier markets are part of our commercial vision and align with the broader EU and Belgiumâ??s initiatives to foster collaboration and support healthcare advancements between Belgium and these regions.

Overall, Belgium offers a conducive environment for healthcare start-ups with its strong industry community, favourable regulatory landscape, and expertise in clinical trials and manufacturing. Univercells has capitalized on these advantages while also embracing a global health approach and expanding its presence in regions where access to affordable healthcare is a priority.

What are the challenges and next steps for these low- and middle-income countries in setting up such facilities and achieving a degree of vaccine sovereignty?

Frontier markets, particularly in Africa, present great opportunities for setting up facilities for vaccine manufacturing and indeed entire biotech ecosystems. While there are still gaps to be filled, many countries in Africa have already made exciting developments in the biotech industry. For example, Senegal has attracted investment and established local vaccine production â?? yellow fever vaccine for instance. The World Health Organization placed their RNA vaccine hub in South Africa, building on a growing biotech ecosystem including manufacturing and research capabilities. These countries have shown expertise and experience, and with the support of non-governmental organizations, they are on their journey towards vaccine sovereignty.

However, itâ??s important to acknowledge that the journey will not be easy. Each country has its own unique challenges, such as power cuts, currency fluctuations, and varying levels of maturity in the biotech sector and the workforce. Overcoming these challenges requires sustained efforts and investment. Nevertheless, I believe that within the next three to seven years, four to five countries in Africa will successfully bridge the gap and achieve vaccine sovereignty.

Itâ??s crucial to address the issue of disrupted supply chains, as highlighted by the COVID-19 pandemic. While decentralized manufacturing can improve global health, itâ??s not feasible for any single country to achieve complete autonomy in the biotech sector. Collaboration between countries remains essential. Geopolitical factors play a role in maintaining relationships and ensuring that exchanges and cooperation continue, even in times of crisis. This collaboration is necessary to safeguard the global supply chain and ensure equitable access to vaccines and healthcare solutions. The key lies in sustained efforts, collaboration, and addressing supply chain disruptions. By working together, we can improve global health and ensure access to life-saving vaccines and therapies for all.

Univercells closed its Series D fundraising round with an investment of EUR 44 million last year and after 10 years of hard work, the company looks set to finally break even. How would you describe Univercellsâ?? financial footing and what do you see as your next development stages?

Overall, Univercells is in a favorable financial position, and we are optimistic about our future prospects thanks to our diversified portfolio of companies. Despite the challenging financial market in the biotech sector, we have managed to secure our future by leveraging the strengths and advantages of each of our subsidiaries. For example, our RNA-focused business (Quantoom Biosciences) has received significant non-dilutive funding due to its innovative manufacturing technologies in RNA and DNA, which are highly relevant and sought-after in the industry.

We have been fortunate to reach a level of maturity and recognition in the market that positions us as the ideal integrator for numerous startups and scaleups through our campus approach. Many early-stage companies have developed disruptive technologies but face difficulties in securing financing and struggle to manage operations as they scale. As the integrator, we can bring these technologies together and create synergies, with operations supported by our group. However, this does require a certain level of optimism and confidence within the industry.

Looking ahead, our next development stages involve further growth and expansion. We aim to continue building on our successes and strengthen our position as a leader in the biotech sector. This includes advancing our manufacturing platforms to new areas, expanding our global footprint, and collaborating with partners to address healthcare challenges worldwide. We will also remain vigilant in navigating the financial market and leveraging our group financial stability to support the growth and success of our subsidiaries. We will continue to drive innovation, forge partnerships, and contribute to the advancement of global healthcare through our unique approach and portfolio of companies.

Do you expect Univercells to possibly become a target of acquisition or do you plan to continue on the impact entrepreneurship path you have set for the company?

While it is true that Univercells has gained recognition and attention from the market, our current focus remains on maintaining our impact entrepreneurship strategy. We believe in the mission and

vision of making biologics and other healthcare solutions available for all. Our goal is to continue driving innovation, expanding our reach, and creating a positive impact on global health.

Acquisition offers may come our way but we are currently more focused on generating business and further developing our technologies and services. We believe in the value we have created and the potential for growth and success in the future. As the financial market evolves and opportunities arise, we will carefully evaluate our options while staying committed to our mission and continuing our journey as impact entrepreneurs.

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