

Wouter Piepers CEO, flanders.bio



Our state-of-the-art R&D capabilities and history of successful translation of good science into numerous spin-offs and winners have put us at the forefront of the global biotech industry

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Belgium's Flanders region is a hotbed of biotech excellence, with numerous examples of university spin-offs being translated into commercial-stage companies and many of those later acquired by Big Pharma. Wouter Piepers of cluster organisation flanders.bio outlines the fundamentals behind this success story, and what potential future investors in Belgian biotech should look out for.

What is flanders.bio, who does it represent, and what are its aims?

flanders.bio is an independent member-driven organisation representing biotech and life sciences companies, universities and research organisations from Flanders, Brussels, Wallonia and abroad. Biotech we define in the broadest sense, covering human health, animal health, agri-food tech, and bioprocessing.

Founded in 2004, our mission is all about strengthening and building the biotech and life sciences ecosystem in Flanders, Belgium. Today, flanders.bio has 345 members and 12 strategic partners.

In a modestly sized country like Belgium, what is the rationale behind having a Flanders-specific cluster and not just a national-level organisation?

Belgium has 3 language communities and regions, with a government organised on a regional and federal level. Although nowadays, biotech and life sciences are identified as a key strategic area for Belgium as a whole, it has not always been like that, and for sure, the historical development of the regional biotech and life sciences ecosystems was very different.

When VIB, the Flemish Institute for Biotechnology, was asked to expand its mission and activities into areas such as networking, talent management, advocacy, and awareness, it was decided that such activities went beyond the scope of what VIB has as its mission. Therefore, in collaboration with a number of key stakeholders/biotech founders, flanders.bio was created. Next year in 2024, that will be 20 years ago.

A process of 40 years of constant growth, the Flanders biotech and life sciences ecosystem has really turned into a global powerhouse enjoying a stellar reputation. While we must remain humble in a global context, we can be proud of our network of top-notch universities and research centres, delivering excellent science and talent. Our state-of-the-art R&D capabilities and history of successful translation of good science into numerous spin-offs and winners have put us at the forefront of the global biotech industry. And let us not forget the excellent symbiosis we are enjoying with the government on the federal and regional level. Without that, we would not be where we are today.

At the same time, one cannot miss out on Wallonia boasting excellent expertise in bioprocessing and biomanufacturing, including for very specialised therapeutics. Think of GSK and Takeda, but also Univercells, or upcoming engineering companies such as Becarv. Frankly speaking, the future is and will be one of cross-regional collaboration for maximizing the impact of all available expertise and capabilities.

Looking at it from a global perspective, collaboration will allow us to create the biotech and life sciences campus we need to maintain our competitive edge going forward.

Is this modesty a limit on your ambitions, considering Belgium is competing with hubs in the US as well as the likes of Singapore and Switzerland for investment?

Not at all. But it is key to keep things in perspective and to realize that there is always room for improvement.

Competing ecosystems have been using our Flanders ecosystem as a benchmark for building up their own capabilities, Rightfully I would say, and thank God this is happening. It confirms the good stuff. But we can learn from that as well, and it will certainly help us keep our eye on the ball.

How did the COVID-19 pandemic affect the development of the life sciences ecosystem in Flanders?

The COVID pandemic response was a demonstration of the capabilities and history of excellence of both Flanders and Belgium. The end-to-end value chain that is present here was in full effect, with pharmaceuticals, biotech, and research centres working hand in hand with government institutions to develop solutions in record time. The Belgian biotech start-ups that have been able to transform into commercial-stage companies and deliver their therapies to patients already serve as an example of our capabilities and the COVID response only strengthened this positioning.

Can you highlight some of the most significant Belgian biotechs that have made it all the way to the commercial stage?

There are many, and a lot of them are long-time flanders.bio members.

When Ablynx was acquired by Sanofi in 2018, it had developed a stellar program in rare diseases. In the slipstream of that success, and building on similar yet different technology, Argenx turned into one of the most successful biotech companies in Europe and the world. Galapagos is another good example, now crafting new paths into car-T therapies. ThromboGenics (now Oxurion) has been a trailblazer bringing a first-in-class retina therapy from bench to market in Europe and the US.

All of these ventures and their leaders act as important role models for the future development of the ecosystem, even when commercial success did not always materialize. There are always learnings.

And of course, we expect a lot from some of the newcomers as well. We may see excellent things coming out of companies such as Confo Therapeutics or Precirix, but also eTherNA, Dualyx and AstraVax are building on excellent technologies and stellar teams. There are also several new names that pop up in the AgrifoodTech space, Thinking of Biotalys or Apheo.bio just to name two.

Even when a project does not succeed, the people and the knowledge involved remain. These people can then move on to new things, creating new projects and companies based on some, or all, of the same research that may later succeed with a different approach, funding, or team. Biotech is not for the faint-hearted and the chances of bringing a therapy all the way from the lab to the market are rather low. However, with a cluster/ecosystem approach which retains people and knowledge, the chances are increased. The aforementioned success stories are a testament to this.

Cash is always the biggest challenge for biotechs and often the difference between making it to the next inflection point and failure. What does the funding landscape for Belgian biotechs look like today?

It is challenging, as is the case everywhere in the world.

Against a backdrop of an economic system under pressure and geo-political challenges, we see a move towards "precision financing," whereby biotech investors are more discriminate, disciplined, and demanding and there is a need for strong data and efficiency. Projects and people are put under increased scrutiny and projects are being de-risked earlier. Money remains available, but only for the right projects. The cost of money will be higher, the impact of these investments will be greater, and there will be close follow-up for weeding out the good from the bad, or even good from great. The same shift is happening on the investor side, with highly specialised funds now driving decisions and investment decisions.

On the public side, markets continue to suffer. The IPO window seems to remain closed until further notice. This forces a lot of listed biotech companies in search of financing, to seek alternative and creative solutions. The future will tell us what this will result into.

Do Belgian biotechs need to look beyond Europe's borders for the funds they require?

Investors do not discriminate based on location. They go for good science and people driving the programs, wherever they are located. Therefore, I would advise any Belgian biotech to look everywhere when looking for investment. The sky is the limit.

What are your hopes the future of Flanders bio and your message for potential investors looking at Belgian biotech?

flanders.bio has been around for almost 20 years and is committed to assisting in the development of the Flemish and Belgian biotech and life sciences industry going forward. Our strategy is built around the pillars of *discover, connect, test, fund, educate, advocate and build*, and we will continue to coach and advocate to foster an ecosystem which allows the creation of winning new companies and entrepreneurs who can be role models for others. We also want young talent to learn about all these success stories and pursue studies in STEM fields, and a career in our industry.

My message to investors is not to sleep on Flanders and Belgium as the best is yet to come. Many new therapeutics and technologies have already emerged from our region, and many more are set to come online in the coming years, across a range of different disease areas.

The Flanders and Belgium biotech scene is also not afraid to engage in this new model of precision financing, and our biotech talent is not afraid of being scrutinised on science and data, or on the quality of its people. On the contrary, I have always witnessed an attitude of wanting to do better. I can see many of our members that are therefore perfectly aligned with the new normal in funding.

We are open for business.

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