



Hybrid business model guarantees sustainable and healthy growth

Many biotech companies focus on pure asset development activities, involving a lot of risks. A hybrid model with a combination of services and internal and partnered developments offers a higher level of security. Interview with Jan Hoflack, CSO of Oncodesign. **Text:** Joris Hendrickx



Jan Hoflack
CSO Oncodesign

"We have built up these platforms with significant external support, including from the French government. In addition, we have set up collaborations with nearly all major French companies, in large consortia that were founded and managed by us and that helped to structure the company. We used this method until 2010, as a preclinical research organization in oncology mainly active as a CRO (Contract Research Organization), with advanced animal models and a multi-modal-imaging platform."

How did you evolve to your current form?

"In 2008, I wanted to set up my own company based on a next generation kinase-focused chemistry platform that I had built up with my team at Janssen Pharmaceutica. At that moment, however, I met Philippe, and together we concluded that our approaches could strengthen each other mutually. Since then I am CSO of Oncodesign. We were able to in-license the chemistry platform in 2010 that we name "Nanocyclix", and that is at the basis of all of our current programs."

"The combination of the various platforms allows us to offer a fully integrated drug discovery engine in precision medicine. This made it possible to conclude partnerships very quickly with major pharmaceutical companies such as Ipsen, Sanofi, UCB and BMS.

"In addition, we expanded our own portfolio to a stage where larger investments were justified. In 2014, we launched Oncodesign on the Paris stock exchange. This gave us financial means of around 12 million euros, which enabled us to continue building our internal projects. In 2016, we acquired a fantastic GSK site in Paris, together with a team of 57 drug discovery experts. The deal also included four years of funding from GSK: an incredible opportunity for our company to continue its growth."

"Today we produce a PET tracer (diagnostic) that is tested in lung cancer in the clinic. In addition, we have developed a promising kinase inhibitor against Parkinson's disease and a compound within the field of autoimmune diseases based on a novel mechanism of action."

What are your biggest challenges at the moment?

"Our biggest challenge is to achieve our results within the timelines that we put forward. There are many risks associated with the pharmaceutical business, and it is important in our model to keep the timing for delivery predictable. 2019 and 2020 are the years in which we want to bring our substances to clinical research and want to conclude major partnerships. At the same time, we are expanding our service model further."

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How great is the interest in this type of activity?

"It is clear that we are active in an industry that attracts huge interest here in Belgium. The successes of Galapagos and Ablynx, among others, have certainly contributed to this. Investors are also familiar with the hybrid model here. In France things are somewhat different: the biotech world has suffered a number of setbacks in recent years, and this keeps some investors from entering into biotech for the long term. We can notice this in our current market value. We do better than most colleagues do, but our market value is not in line with our activities and our potential."

How do you see the near future?

"The next two years will be very exciting for us, because we will make even more progress towards a fully established biopharmaceutical company with advanced substances that will be tested and used in patients for their added value. That does not mean that we will reduce our services. These remain crucial for us and so we hold on to our hybrid business model. The goal is to keep our 230 employees at work both in the short and the long term. The services provide the necessary stability in that context. We may even expand it in the US in the near future. In addition, we enter into partnerships in which the risk is shared between the partners, but which provide nevertheless a very significant potential for growth. Finally, through our own developments we aim for a high return in the long term through the sale of licenses. The combination of all this makes Oncodesign a sustainable and healthy growing pharmaceutical company." ■

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