



Medicinal Chemistry and Chemical Biology Highlights

Division of Medicinal Chemistry and Chemical Biology

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BaseLaunch – How to Launch and Build Exceptional Biotech Companies

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Abstract: Many scientists have brilliant ideas for new therapeutic applications, and this explains the success of the pharmaceutical companies as well as the spectacular development of new treatments over the last decades. Not all ideas can be concretized in the frame of established research institutes, however. In this context, BaseLaunch plays a key role in helping launch and develop innovative start-up companies.

Keywords: Biotech · Business development · Drug development · Drug discovery



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1. Introduction

Launching and building a biotech company is an art that requires specific knowledge and connections. It enables the pursuit of scientific opportunities that are complementary to those seized in well-established pharmaceutical companies. While much ground-breaking innovation takes place in the latter, not all great ideas are best pursued in this environment, for a diversity of reasons: the research portfolio of a company, however large, is limited by the number of therapeutic applications it can pursue in parallel. It must also balance the risks associated to drug discovery and development, as well as focus its resources on the most promising approaches. Obviously, some creative ideas

require significant risk-taking before reaching a level of maturity enabling further development. Others are outside the scope of established research strategies, or their concepts are very new and compete for resources with better validated approaches within a focused research portfolio. Simply put, pharmaceutical companies go a long way in exploring new therapeutic approaches, but they cannot possibly cover all opportunities. This leaves space for entrepreneurship and the development of start-ups, to drive innovation in domains where creativity, speed and flexibility are of the essence.

Ground-breaking science is not sufficient to lead to concrete innovations. It also needs to be distilled into products differentiated from existing solutions, sufficiently validated, and associated with a clear path to market introduction. For medical products, clinical development and market approval are highly regulated. It is important to understand how new ventures fit in this environment, and how they can progress towards commercialization. On top of this, financing, legal and operational requirements complicate the picture.

While these challenges are daunting, there are ways to address them, and the keyword is collaboration, at scientific, clinical, regulatory, and business level. This implies setting up and developing a supporting environment for new ventures, including links to all stakeholders and necessary partners. Platforms such as BaseLaunch, flexibly addressing scientific and business needs, are fantastic partners to address these challenges. Operated by Basel Area Business & Innovation, BaseLaunch is a key enabler in the Basel area. Its mission is to launch and grow exceptional biotechnology and drug discovery companies.

2. The Basel Area: A Leading Life Sciences Hub

The Basel Area is the main centre of life science research and development in Europe, with extensive drug discovery and biopharmaceutical research (Fig. 1). It is home to over 700 life science companies, including Roche and Novartis, which are among the world's largest pharmaceutical enterprises. It is also a hotbed of innovation with numerous small to medium biotechnology companies, 14 research institutes and several technology parks.

With over \$21 billion in research spending annually, this tightly interwoven academic, drug discovery and biopharmaceutical community generates a constant flow of innovation. This is reflected in venture capital investments of over \$3 billion in the last few years. The Basel Area benefits from an exceptional talent pool in medicinal chemistry and biopharmaceutical research: Together with the entrepreneur-friendly economic policies of Switzerland, this creates an ideal breeding ground for new life sciences ventures.

3. BaseLaunch

BaseLaunch was initiated in 2017 to help launch and grow the next generation of life science companies, with a focus on innovative therapeutic ventures. It provides a diverse range of

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Fig. 1. The tri-national Basel Area regroups a broad array of life science companies from Germany, France, and Switzerland, with over 32'000 employees and an extended innovation and development potential.

opportunities, from financial help to strategic advice for de-risking the science, building up teams and setting up companies.

BaseLaunch is deeply embedded within the biotech ecosystem and connected to the global biopharma community. It utilizes this network for the benefit of the ventures it supports, partnering with leading pharmaceutical companies and venture funds (including Roche Partnering, Pureos Bioventures, Roivant Sciences, Bridge Biotherapeutics, CSL Behring, Johnson & Johnson and China Medical System) to select and finance new projects. These partners have a strong impact on the success of biotechnology start-ups: Their experience in research and development, combined with their understanding of patient needs, de-risking strategies, and extensive networks, plays a key role in ensuring success in the biotechnology environment.

Each project being different, BaseLaunch tailors its support to address specific needs. It also ensures that all ventures become deeply embedded in what is arguably Europe's strongest life science ecosystem. Importantly, ventures it supports retain full entrepreneurial freedom and control over partnerships, strategy, and operations. So far, BaseLaunch has supported 19 start-ups and most of them have already raised significant Series A funding from top tier investors, totalling over \$450 million in financing

Table 1. Financing stages of a start-up company.

Seed	Initial, rather informal stage in the capital-raising process. Investors provide capital in exchange for shares in a company.
Series A	Used to ensure the continued growth of a company: Financing round whereby a company obtains capital from investors by selling company shares. Financing based on a due diligence and valuation process.
Series B	Like Series A, but for companies that are ready for further development, typically in the clinic or late-stage preclinical development. Investments tend to be \$40 to > \$100 million.

and an average total raise per company of over \$30 million. For a brief description of financing stages, see Table 1.

3.1 Portfolio

BaseLaunch has a broad portfolio covering a wide range of therapeutic areas, with modalities from small molecules to antibodies and cell therapies. Many have already attracted investments from top-tier investors, for instance:

Engimmune Therapeutics is a spin-out from the Department of Biosystems Science and Engineering (D-BSSE) of the ETH Zürich in Basel. Built on foundational technologies developed by Dr. Rodrigo Vazquez-Lombardi and Prof. Sai Reddy, Engimmune develops highly potent and specific immunotherapies based on T-cell receptor targeting of cancer. BaseLaunch has supported Engimmune since early 2021 and helped the company take the first steps outside of academia, providing initial financing, strategic advice, and access to its biotech network. BaseLaunch introduced to the team Søren Mouritsen, an experienced biotech entrepreneur, now Engimmune's CEO. The company was founded in August 2021 and progressed rapidly, completing a \$16.7 million seed financing in May 2022.

Cimeio Therapeutics is a spin-off from the group of Prof. Lukas Jeker, at the University of Basel. Cimeio is an applied gene editing, cellular, and immunotherapy company developing Shielded-Cell & Immunotherapy Pairs to treat patients with genetic diseases, hematologic malignancies, and severe autoimmune disorders. Cimeio was initially supported by BaseLaunch and later built out of Ridgeline Discovery, the Versant Ventures Discovery Engine in Basel, which financed the company with a \$50 million Series A announced in April 2022.

Synendos Therapeutics, a spin-off from the University of Bern, exploits novel insights into the biology of the endocannabinoid system to develop therapies for neuropsychiatric disorders. It relies on 10 years of solid research carried out at the University of Bern by Prof. Jürg Gertsch and Dr. Andrea Chicca. Dr. Chicca and Dr. Simon Russell co-founded Synendos in April 2019 and raised a \$21 million series A in 2020, which was extended to \$25 million in 2021. BaseLaunch provided initial funding, introductions to key team members of Synendos, and remains a key enabling partner for further growth of the company.

Anaveon, which develops biologics modulating cytokine functionality for immunological diseases, was founded in 2017 based on intellectual property (IP) from the University of Zurich and Novartis. In 2019 the company completed a \$36.5 million Series A and raised CHF110 million in Series B financing in 2021. BaseLaunch provided Anaveon with initial funding and support in launching the company, which is now established in the Basel Area, and located at the Technologiepark Basel.^[1]

Alentis Therapeutics is a Franco-Swiss biotech company, which spun out of the University of Strasbourg. It develops treatments for fibrotic diseases and associated cancers, based on the recently discovered functional role of Claudin-1, a membrane protein involved in tight junctions. Alentis was founded in 2018. It was financed, incubated and built in close collaboration between Prof. Thomas Baumert and BaseLaunch. The work culminated in Alentis raising Series A funding in early 2019, and a Series B in 2021, altogether bringing in \$80 million. BaseLaunch has played a critical role in getting the company launched, licensing its IP, helping assemble the initial team and supporting Series A financing. The company is now a resident at the Switzerland Innovation Park Basel Area,^[2] in Allschwil.

4. What BaseLaunch Offers

The support that BaseLaunch provides is customised and different for each project (Fig. 2). The aim is to do whatever is needed to achieve a successful Series-A financing, focusing on data, science, and a strong development rationale. BaseLaunch

provides up to \$500,000 in the form of a convertible loan on venture-friendly terms. This funding should be used to reach key value inflection milestones and to de-risk the project.

To achieve success, BaseLaunch provides access to best-in-class scientific advice and helps define key milestones and access external consultants or experts. It also helps build the team driving the progress of the company, bring in drug development and commercial expertise, and establish fair ways to compensate early team members. It can support IP licensing and company incorporation, as well as provide introductions to venture funds and assist in negotiations with these funds. If needed, BaseLaunch can also provide access to fully equipped labs and offices, and help find additional infrastructures in the Basel Area, for instance at the Technology Park Basel or at the Switzerland Innovation Park Basel Area.



Fig. 2. The BaseLaunch offer: funding, an extended network, technical support for company build out, and access to laboratories and infrastructure.

5. What is Required to Engage?

BaseLaunch partners with key players from the biotech sector, leading pharmaceutical companies, and venture funds to help in the selection of projects.

The selection criteria for start-ups are critical: BaseLaunch looks for therapeutic projects that have solid and highly innovative science, with a committed team. It is willing to engage with any therapeutic sector and modality. The projects selected are often at a pre-seed to seed stage, with a realistic route towards Series A financing within approximately two years. Projects should demonstrate initial efficacy of their approach, ideally with *in vivo* data, but BaseLaunch also selectively backs projects that are less advanced, provided they show clear differentiation from the competitive landscape.

6. Practically, How Do you Start

BaseLaunch is always open to new collaborations. To start, expression of interest forms can be submitted through their website.^[3] If there is a general fit for what BaseLaunch looks for, submitters are asked to complete a full application. BaseLaunch then conducts a thorough diligence process while working with the founders to help them through this initial phase, which lasts several weeks to a couple of months. Once ready, selected projects are invited to present to the selection board composed of BaseLaunch partners and BaseLaunch representatives. Proposals from every country are welcome, and submissions of early-stage projects are

encouraged. Companies do not need to be incorporated at the time of application, and no minimal capital or co-financing is required to be eligible for funding.

7. Conclusions

Getting new biotech ventures started is challenging and early-stage support is crucial to build solid and successful companies. BaseLaunch helps biotech companies by providing funding, expertise, and a network. If you are working on a breakthrough innovation and wish to join the strongest life sciences cluster in Europe, BaseLaunch can help you build and develop a start-up company. Contacting them is the first step to getting your project off the ground and setting your scientific ideas and experience on a successful development trajectory.

Acknowledgements

The authors would like to acknowledge all scientific and business partners associated to the Basel Area for their unstoppable scientific curiosity, creativity, and courage. It is thanks to their ideals – and hard work – that the Basel Area became such an exciting life science environment, and a great place to launch and develop exceptional biotech companies. They also thank Stephan Emmerth, Director Business Development and Operations at BaseLaunch, for his support and valuable comments.

Received: June 13, 2022

- [1] www.technologiapark.ch
- [2] <https://sip-baselarea.ch>
- [3] www.baselaunch.ch