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Industry and partners

Selvita invests in BioCentrum and forms an alliance with Read-Gene

Selvita is growing - the Krakov-based company (which specializes in the preclinical development of novel compounds generated by Polish public-sector research organisations) has acquired a majority stake in another Polish company (BioCentrum) and signed a collaboration with a third (Read-Gene), with a view to reinforcing its technical, scientific and commercial skills for the development of novel diagnostic and therapeutic solutions.

A stronger skills set. Selvita was founded just last year but already has two main activities: (i) the provision of bioinformatics, cheminformatics and preclinical research services to the pharmaceutical industry and (ii) the preclinical development of its own portfolio of novel compounds (generated by Polish university labs and research centres), which it then licenses on to industrial partners. Hence, these two recent agreements have reinforced the first axis of its business model. The first agreement makes Selvita the majority shareholder in BioCentrum, a specialist microbiology spin-out from Jagiellonian University. BioCentrum needed fresh capital to develop its service offering, increase its research and marketing budgets and expand its lab infrastructure. Selvita has recapitalized the company and also acquired 10% of BioCentrum shares from its existing shareholders. At the end of this operation, Selvita had acquired 64% of the firm's equity. BioCentrum will remain an independent subsidiary and will focus on the companies' collective potential in the performance of ADME (absorption, distribution, metabolism, excretion), toxicity, microbiology and biochemical analyses and the development and production of proteins. BioCentrum already has a strong portfolio of customers in Germany, Sweden, Poland and the United States. Selvita's second agreement is with another Polish life science start-up - Read-Gene, which develops the diagnostic and therapeutic applications of its research on the genetic determinants of cancer. This is Selvita's first R&D and marketing agreement. The two companies will pool their skills and develop five commercial projects in the field of cancer genetics. One project ("Gencron") is already operational and discussions with the first potential customers are underway. The project is based on Read-Gene's recent discoveries concerning the influence of single nucleotide polymorphisms (SNPs) on the genesis and development of cancers and the related drug interactions. It features a pharmacogenomics service offering for matching drugs in preclinical or clinical development to a genetically defined group of patients. The Gencron project will initially focus on breast, ovarian and prostate cancers.

Exploiting innovation. Selvita's other activity is focused on industry because it involves facilitating access to novel compounds generated by academic groups and research institutes; Selvita performs lead identification & optimization and late preclinical development, in order to then outlicense the compounds to biotech or pharma companies. Six compound families are currently available for licensing, along with two enzymes which, according to the company's management, may interest GMP biomanufacturing firms. Selvita has also launched two major in-house projects (currently in the early preclinical phase) on small molecules in oncology and the central nervous system field. In the event of preclinical success, Selvita envisages taking the projects into clinical development itself. It will then need to raise additional funds in an equity operation whose size will depend on the number of projects underway. At present, the firm finances its activities through private investors and via revenue streams from its service activities.