Montserrat Vendrell – Partner, Alta Life Sciences

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Alta Life Sciences is one of Catalonia's top venture capital investor groups in the biotech sector. Montserrat Vendrell, partner and a pivotal figure in the development of the region's life sciences ecosystem, explains the VC's investment strategy, their connection with US-based funds, and the challenges ahead for Catalonia's bioregion.

Can you begin by sharing your background in the life sciences sector with our audience?

My background is in biology with a PhD from the University of Barcelona. Following my studies in Spain, I moved to the United States to study my postdoc at the Roche Institute of Molecular Biology in New Jersey which provided exposure to working in a private sector environment.

Upon returning to Barcelona, I joined a newly born project, Barcelona Science Park. The science park acted as a representative of the life sciences sector in Catalonia with specific infrastructures capable of promoting the sector or renting out spaces.

The government asked the science park and me to lead the initiative, spearhead the creation of Biocat in 2006, and put together a group from the private, public, government, and hospital sectors to brainstorm. In Biocat's second year, I was selected to be the new CEO and accepted as it was a project that I wanted to help build.

I was the CEO of Biocat for eight years and the work involved trying to intersect the different areas that have an impact on the development of healthcare as an industrial sector. This dealt with investment, promoting entrepreneurship, regulation, and policy.

While there were missing competencies, Biocat ensured that it was aware of these and tailored its needs to suit the sector. This involved lobbying at the European level and connecting with other initiatives across Europe to interact and network with other entities such as bioregions, biotechnology associations, and other facilities related to the sector at the time.

While Biocat did not receive highly significant funds from the government, its role was to use the funds for the system in the most efficient manner possible and position healthcare as a priority in the country.

After many years working in public-private organizations, why did you decide to move into the venture capital world with Alta Life Sciences?

I joined Alta Life Sciences as a partner in 2016 following a year of running both the Science Park and Biocat in 2015. Catalonia was a good opportunity for a new VC fund given the quantity of science and the underdeveloped ecosystem regarding the number of seasoned VCs in the area.

What is Alta Life Sciences' strategy for investing in start-ups?

The investment strategy for the first fund is Spain-focused to leverage the science in the country. The second fund will be Pan-European and include exposure to the US.

The fund has been investing in therapeutics, which make up the majority of Alta Life Sciences portfolio, as well as digital technologies. Alta Life Sciences is stage agnostic and does not invest in seed rounds with a few exceptions such as the fund's early investment in ONA therapeutics. The ideal time to invest would be once the business has proof-of-concept data and ready to start clinical trials.

Alta Life Sciences approaches funding by searching for unmet medical needs. The fund wants other VCs to join in its investments in order to further push the companies forward. One example of success for Alta Life Sciences' portfolio has been the exit from the company Sanifit. Many pharmaceutical companies were following Sanifit due to an interest in its main asset, targeting calcification. The company was recently acquired by the Swiss pharma Vifor.

What does it mean for Alta Life Sciences to be the bridge fund that connects Europe with the venture capital expertise of Silicon Valley?

Two of our partners are based in the US with a deep knowledge of the US market. This allows us to provide direct on-the-ground expertise to our companies.

Furthermore, Alta Life Sciences has searched for technologies and projects in the US. A few were analysed to determine whether companies through the fund could benefit from developing in Spain due to the lower cost of clinical trials. In the end, this did not materialize, however, it is part of the fund's position to possess this connection on both sides of the Atlantic.

The first fund was EUR 80 million. The fund is finishing its investment period and is not going to grow further with reserves kept for follow-on investments.

What does Alta Life Sciences offer beyond funding?

We have complementary profiles in the team. My knowledge is having knowledge concerning the ecosystems within Spain and across Europe. This includes the investors and research centres that I have been involved with to support entrepreneurs directly.

Furthermore, my partner Jose Mesa has an extended experience as a VC since he was in charge of Caixa Capital Risc Life Sciences Venture Capital arm for many years. Beyond the two US partners, with a long track record in venture and corporate venture, the team also counts with Miguel Valls, an expert in the digital space.

Why do you think that people believe the funding is not enough despite increasing year by year?

The sector in Catalonia only began to mature recently and the research centres in Catalonia were built at the beginning of the 21st century. Previously, investments have been directed towards real estate or other sectors. Trust and awareness need to be built to establish the sector as an interesting opportunity for investment with high returns and anti-cyclical behaviour.

Despite the new projects and new plans, there is a gap for very early-stage investments. Hopefully, with the arrival of next-generation funds, there will be new initiatives that incentive investment in

life sciences start-ups, such as the creation of technology transfer funds or the availability of programs that allow public money to be co-invested alongside existing investors.

However, for the funding to continue growing, there need to be more success stories such as Sanifit to encourage new investors and entrepreneurs and there is evidence this is progressing.

Is it possible to recreate successful models such as that of Boston in Spain?

It is difficult to compare other models as it does not respond to the realities of different regions. However, it is possible to take ingredients that work in other models and apply them if it is suitable.

The Boston model works for the entities in the immediate vicinity of a small area that can then build start-up communities, develop new technologies, and explore public-private collaborations.

For the Catalan region, it is a matter of identifying the bottlenecks and finding solutions for these from other models rather than implementing an entire model in the area. There are challenges outside of funding the stage of proof of concept including finding the right talent which the Boston model can be used to help.

Additionally, reimbursements and access to hospitals for start-ups to conduct their research and deployment of technologies, as well as public procurement and shared risk models need to evolve for the ecosystem in Barcelona to continue thriving.

Looking into the future, what do you see as the hottest trends in life sciences?

Innovation comes from the intersections of the different disciplines. For instance, there is a vibrant digital community applying data management and AI to solve challenges related to health and making healthcare systems more efficient. These intersections between digital or AI data and healthcare represent significant opportunities for businesses and successful innovation.

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