The biopharmaceutical CDMO industry has recently experienced increasing levels of consolidation. Meanwhile, investment in innovative technology platforms and services is rapidly growing in support of the rich pipeline of breakthrough biologics. These transformations in the CDMO industry present exciting growth opportunities as well as challenges for CDMOs making capability and capacity investment decisions. BioPharm International recently spoke with Konstantin Matentzoglu, CEO of Celonic AG, about promising opportunities and trends shaping the CDMO landscape, as well as the value of a manufacturing partner rejuvenating its biologics services portfolio, forging strategic alliances, and driving global commercial expansion models.

BioPharm International: In many ways Celonic is more than a CDMO for biologics. What is the focus of the company?
Matentzoglu: Celonic is truly a quality-rooted global CDMO partner for our biopharmaceutical customers. We offer integrated services to our customers—from cell line development, based on our own platform technologies, through commercial manufacturing of drug products. With an intense focus on developing research-based technology platforms, we provide industry-leading solutions to enable breakthrough biologics of the future.

BioPharm International: What core strengths differentiate Celonic from other CDMOs?
Matentzoglu: In the last one-and-a-half years, we have spent a considerable amount of effort focusing on company culture. We have differentiated the company as an entity that sees value in empathy. We are extremely people orientated—both in terms of our employees and our customers—and consider this to be the basis of our total quality management (TQM) system. This means we align with our clients’ business processes with a high degree of transparency.

BioPharm International: How does Celonic draw on its connection to JRS Pharma to benefit customers?
Matentzoglu: This connection sets us apart from our peer group of CDMO companies. First, we can tap into financial resources, which is exceptional for a company of our size. For our clients, this means we can serve them more reliably and sustainably on projects throughout
their lifecycle from development to commercial manufacturing. Second, we can tap into the JRS network and its corporate support structures, including research and development functions. More importantly, we benefit from the growing company portfolio of JRS. For example, JRS has acquired a formulation development company in Munich with which we are collaborating. We serve our customers together, bringing complementary core competencies to the table. We foresee similar collaborative models continuing to add value for customers in the future.

**BioPharm International:** Do you have any examples of partnerships through which Celonic helped an innovator quickly and successfully reach a development milestone or commercialization?

**Matentzoglu:** There are two examples. First, we engaged with a customer to support a direct equity investment, without which they would never have started their project. Second, we developed a fast-track program that allowed a client to successfully license its development project to a Big Pharma company—from gene to GMP batch—in 10 months.

**BioPharm International:** How does the rapid growth of Celonic fit with its corporate strategy, and how might Celonic continue to grow and expand in the near term?

**Matentzoglu:** Our rapid growth is integral to our corporate strategy. By 2023, we would like to be a premium CDMO—probably more than fivefold larger than we currently are—and be a major player in the market. A lot of consolidation and M&A activities are occurring in the CDMO industry. That means CDMOs must grow in order to be competitive in the future, and Celonic has grown organically in many ways. We have successfully onboarded clients from development to commercial manufacturing. In addition, we will continue to grow inorganically by acquiring other businesses, as we did last year with the acquisition of Glycotope Biotechnology in Heidelberg.

**BioPharm International:** What are the challenges and future drivers of a CDMO?

**Matentzoglu:** Molecules are changing. The biopharmaceutical industry developed numerous simple monoclonal antibodies in the past that are still successful and contribute to the market, and will continue to do so for the next few years. But, as an early-development CDMO, we see that the complexity of molecules has increased dramatically. As a result, we are looking at antibody fragments, multi-specific antibodies, and highly modified biologic entities. Therefore, we must spend more time understanding the manufacturing process and adapting the development platform and processes accordingly. As people understand disease mechanisms in more depth, molecules will become even more complex.

In addition, we have entered into the space of gene cell therapy, gene vectors, and cell batches. Thus, we recently started to build a team and a facility for Cell & Gene Therapy applications. We will begin with gene vector manufacturing, followed by cell batch manufacturing. In the near future, we will be expanding our presence in the North American market by establishing a site in the United States.

**Celonic AG** is an internationally active biotechnology service company and part of the JRS Pharma Group. As a CDMO, Celonic specializes in the development and contract manufacturing of biologics. Celonic AG provides comprehensive process development and manufacturing services for New Biological Entities, Biosimilars, and Cell Therapy & Gene associated services worldwide. Celonic’s services include the development of cell lines, production processes, as well as the GMP and non-GMP manufacturing of biopharmaceutical drug substances and drug product.