

Breaking Through the Investment Gap: Mark Andrews Discusses British Patient Capital's Life Sciences Fund

March 14, 2023 by Andrii Buvailo

In this interview, we speak with Mark Andrews, Investment Director, Life Sciences, Funds at British Patient Capital, the largest domestic investor into UK venture capital opportunities, including pharmaceutical industry and biotech. Mark sheds light on the investment strategy of British Patient Capital, the specific biotech and healthcare sectors that they prioritise, the eligibility criteria for prospective startups or projects, and the major shifts that can be anticipated in the UK's life science industry in the coming years.

Andrii: Can you tell us about yourself and your journey into the life sciences?



Mark: After training for a number of years in Biological Sciences at UK universities, I started my career in the mid-1990s working in academic research. I worked across several laboratories and research institutions in both the UK and Europe in the fields of oncology, immunology and transplantation medicine. After a number of years working in labs, I moved into the investment side of life sciences working as a life science venture capital investor at international investment fund managers. During this period, I held several non-executive director roles around the

world supporting start-ups in the life sciences sector as they develop new drugs and therapies to improve the lives of patients.

Immediately prior to joining BPC, I worked in the corporate advisory space where I continued to support life science companies from young start-ups through to large multinational corporations complete deals including M&A deals, fundraising and licensing deals. I joined British Patient Capital in 2022 and now work as an Investment Director overseeing the life sciences fund investments of the business. Leveraging my experience in the sector and across the investment cycle, I now manage British Patient Capital's investments in life sciences funds that are enabling the most promising later-stage UK companies to scale.

Andrii: It would be interesting to learn more about British Patient Capital's work. What is the investment strategy, and what are the specific biotech/healthcare sectors you may be prioritizing based on the fund's vision?

Mark: Six years ago, the UK Government held a Patient Capital Review which identified the barriers to accessing long-term finance for growing firms' looking to scale, a lack of finance at the later stages, and the need to unlock institutional and retail investors' capital. British Patient Capital was set up to address these issues and act as a catalyst for exciting scale-ups looking to access institutional and later-stage finance.

With more than £3bn of assets under management, British Patient Capital's mission is to enable long-term investment in innovative UK companies led by ambitious entrepreneurs who want to build successful, world-class businesses. We invest in, amongst other sectors, life sciences firms and funds not only from the £2.5bn core funds programme but also via our life sciences specialist £200m Life Sciences Investment Programme (LSIP), and our £375m UK-wide programme Future Fund: Breakthrough.

LSIP was launched in 2021 to address the growth equity finance gap faced by high-potential UK life sciences companies. We support the development of UK life sciences businesses by making cornerstone commitments to later-stage life sciences venture growth funds. We announced our first investment recently via LSIP in SV Biotech Crossover Opportunities Fund which has made investments in UK firms such as Quell Therapeutics, a specialist in engineered T-regulatory cell therapies for serious medical conditions driven by overactivity of the immune system.

Andrii: What kinds of companies might be a good fit for partnering with and receiving financial support from British Patient Capital? Any specifics in terms of requirements for prospective startups/projects?

Mark: For scaleups in the life sciences space, we run a Future Fund: Breakthrough programme which is a highly targeted programme, designed to address the equity funding gap for growth stage R&D intensive companies. operating in breakthrough technology sectors, the £375m Future Fund: Breakthrough programme provides direct equity investments in growth rounds.

Whilst we look at firms across the life sciences sector, we have previously invested in oncology specialist Grey Wolf Therapeutics, medical technology business Perspectum, and Nucleome Therapeutics a biotechnology company uncovering novel ways to treat disease. Companies eligible for this programme will have previously raised at least £5m of equity investment and will be seeking more than £30m in a new funding round anchored by a credible lead investor.

You can find out more details about our investment criteria for this programme at <https://www.britishpatientcapital.co.uk/future-fund-breakthrough/>.

Andrii: Can you briefly comment on the UK's life science industry's performance in general? What major shifts/trends can we anticipate in 2023 and beyond?

Mark: The UK life science sector has a rich history and is one of the most valuable areas of the economy. The UK is a world class science base, and home to two of the world's largest pharmaceutical companies with their headquarters in the UK. With deep expertise from basic science through to clinical research, the prospects for the sector remain strong. Indeed, British Patient Capital recently invested in Proximie, the global health technology platform digitising operating rooms around the world. Headquartered in the UK, Proximie was founded by NHS surgeon Dr Nadine Hachach-Haram with a mission to improve access to quality medical intervention globally. UK life sciences businesses like Proximie are leading the way in their specialist areas and creating a real-world difference for patients and medical staff, highlighting the value of the sector.

One area of continuing interest is how artificial intelligence is set to impact the life sciences sector. Artificial intelligence is set to be transformational for the sector with many UK firms already using AI at some level. AI has the potential to help businesses personalise care in a more efficient and intelligent manner, streamlining supply chains and minimising supply chain risk, as well as improving drug /

compound discovery and testing among a myriad of different use cases. It is clear that as AI becomes more accessible and costs reduce over the coming years, a new wave of life sciences businesses will form that simply won't have been possible before.

Andrii: If I ask you to give one grand piece of advice for biotech entrepreneurs starting their company in 2023, what would you suggest?

Mark: 2022 was a challenging 12 months for the biotech industry with many companies ending the year much leaner after 'right sizing' their businesses. Leaders across the industry were reminded of the need to stay nimble and flexible in their strategies, and there still remains a degree of uncertainty and caution right now. However, life sciences entrepreneurs, like British Patient Capital, are focused on the long-term and should remain optimistic - even in the most challenging times, opportunities arise that could be a game-changer for their biotech business. As mentioned earlier, the prospects for digital transformation in the life sciences industry and how the patient experience can be improved with new technology are one way, which companies can look to improve their positioning. This, together with many other exciting technological advances under development, I believe puts the UK's life science sector in a strong position to move into the future with optimism. These great advances are only possible with brilliant entrepreneurs that stay nimble and flexible when running their businesses.