

“We are particularly looking forward to increasing our business in India”



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Prof. Thomas Noll,
 Chairman, Supervisory
 Board, Xell AG,
 Germany

Emerging from the Institute of Cell Culture Technology at Bielefeld University, Germany, in 2009, Xell AG (formerly TeutoCell AG), has grown to become an independent and privately financed biotech company dedicated to cutting-edge innovation and developing expertise. With more than 20 years of hands-on experience in cell culture technology, Xell has drawn from its academic and technological knowledge to become a key partner in the design and distribution of cell culture solutions. The company is currently serving the Indian market through its partnership with Navi Mumbai-based Rane Rao Reshamia Laboratories. BioSpectrum interacted with Prof. Thomas Noll, Chairman, Supervisory Board, Xell AG, Germany to find out more about the company's plans for 2021 and beyond. **Edited excerpts;**

What are Xell's major offerings in terms of products and services for the life sciences industry?

Xell AG was founded back in 2009 as a spin-off from the Cell Culture Technology lab at Bielefeld University. Our goal was to make the lab's proprietary technology – rational, lean-designed and chemically defined cell culture media (CD-CCM) – accessible to both the global biopharma industry and the biotech community. The Cell Culture Technology lab at Bielefeld University can even trace its experience and refinement of animal cell culture technology way back to 1989, a time when technologies were being developed to express proteins from mammalian cells economically.

Staying true to our origins, this particular scientific approach will always remain an inherent part of Xell's DNA. Proof of this lies in our analytical

capabilities, particularly the analysis of the spent media samples that we have continuously developed in parallel with the ever-increasing demand for CD-CCM on the global market. This makes Xell the ideal partner for biopharma, biotechnological and feed and food companies.

For more than a decade now, our experience and industry-leading knowledge has allowed us to build an extensive, versatile and all-around superior product and service portfolio for any client or application utilising CHO, HEK, Hybridoma, BHK, MDCK, Vero or other human cell lines. We have established long-lasting client relationships with partners of varying sizes based all over the globe. What's more, we are also represented by various agents and distributors who support our ambition to strategically increase our market share outside of Europe.

How was the FY20-21 for the company? What growth does Xell foresee in 2021?

Since its inception, Xell has consistently grown at an average CAGR above 30 per cent. In the first years of the business, our growth was mainly fuelled by cell culture and analytical contract services, but growth has also been complemented by proprietary cell culture media for an increasing range of cell lines. Sales from off-the-shelf products for CHO and HEK cell lines currently contribute more than 50 per cent of annual sales. We have also seen a rapid increase in the annual IP license payments resulting from cell culture media developed for biopharma companies. Crucially, 2019 saw the development of our first in-house products, which successfully achieved market application for GMP production of approved biopharmaceuticals. We anticipate several others used in late-stage clinical trials to follow shortly. We expect 2021 to follow the excellent performance trend seen in previous years, and so we remain very optimistic about the future.

What plans are in store for the life sciences sector in 2021?

The establishment of Xell's production facility – a completely new state-of-the-art site for the production of culture media in powder and liquid formulation – has made our company even more capable of assisting clients with projects from the early USP phase to commercial supply. We

commenced production at the beginning of 2020, and we are ramping it up continuously. By the end of 2021, Xell's manufacturing resources will make it possible for us to produce our formulations and custom formulations, with an annual capacity of about 144,000 kg of powdered media and 220,000 L of liquid cell culture media, all with highly-flexible packing solutions. Our production facility has been planned and built with modular expansion in mind, and as a result, we have sufficient capacity to adapt to growing demand over the next five years. Having established ISO 9001 compliance in 2019, we are preparing for the completion of the ISO 13485 certification, which we hope will be achieved by the end of 2021. This is the next step on our way towards current Good Manufacturing Practice (cGMP) compliance.

Are you planning to launch any new products or services for the life sciences industry?

Xell has been globally recognized for its contract research organisation (CRO) business and is still supporting numerous projects throughout the commercial lifecycle phase. We recognize the increasing demand around the world for tailored, custom-specific solutions and for flexible manufacturing of high-quality cell culture media with short delivery times. This has fuelled our ambition to boost our capabilities from lab to production scale. In 2020, Xell completed its transition from a cell culture media CRO to a contract development and manufacturing organization (CDMO), and the company successfully built a proprietary technology platform for providing solutions and services for the production of viral vectors too. Remarkably, this was in addition to our well-established portfolio suitable for the production of monoclonal antibodies (mAbs) and other biopharmaceutical proteins using CHO, BHK, HEK or other human cell lines. We are confident that through our strategy for enhancing our independent manufacturing capabilities, as well as through the development of new products and services for viral vector-based production, we will maintain our ever-increasing growth rates. We have already successfully introduced our HEK ViP media family for the next level of production of different BSL-1 or BSL-2 AAV serotypes as well as lentiviruses, exceeding the yields that competitor products are currently achieving. Also, within this context, we are offering optimisation services based on our proprietary spent media analysis tools. We are also able to apply newly developed approaches to determine product quality and perform initial downstream processing (DSP) steps for further investigations into the production process. At the



end of 2019, our R&D facility added a BSL-2 lab to broaden our research capabilities. We are excited to enhance our clients' projects even further.

What are the main challenges facing the bio-supply market?

We believe that the challenges being experienced in the supply chains for raw materials and sterile disposables present a major problem, one caused by the COVID-19 pandemic. We expect this to remain an issue until the start of 2022. Fortunately, we have successfully implemented reasonable measures to maintain flexibility and guarantee lead times that meet our clients' requirements. Xell, as well as other businesses, are having to deal with the limited capacity and dramatically increased cost of global logistics. We expect to see this situation continue until the third quarter of 2021. Our team here at Xell is well-prepared to continue serving the global market with our cutting-edge products and services, maintaining the same high level of performance and quality as we have throughout the past decade. We are particularly looking forward to increasing our business in India, where there is a thriving industry for biopharmaceuticals and vaccines. We have been working with our partner, Rane Rao Reshamia Laboratories (RRR) in Navi Mumbai, since 2018. This strong partnership is based on more than 20 years of scientific collaboration between the founders of RRR and Xell. We are truly grateful for the skills and enthusiasm of the team at RRR, and for their support of Xell in India, one of the most exciting and promising markets for biopharmaceuticals. **BS**

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