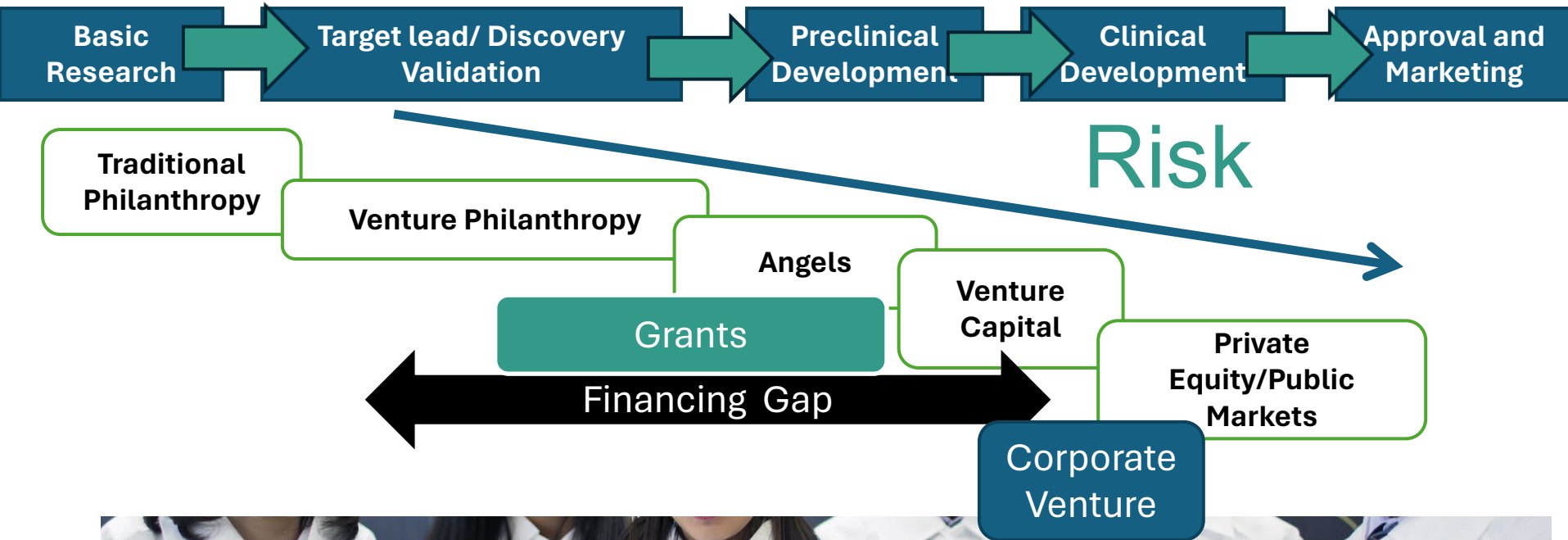




Some considerations on
biotech and medtech
fundraising.

biomedical venture philanthropy: financing drug discovery



trends in biomed venture investment

- More money seeks more exciting opportunities
- More money is needed to exit
- No more “technology” IPO’s”, just proven businesses
- M&A’s of ventures w/o sales / FDA approval – usually at less than \$100M
- VCs going upstream (seed or even feasibility or trenching)
More money seeks more exciting opportunities



investment review criteria

- We focus on revolutionary, next-generation technology
- Need to look for business not a technology platform
- Do fewer deals well – sell one to do one
- Experience counts more than brilliance
- Focus more energy and capital on the winners
- Creative exits



some current VC statements

- Technology / Innovation
- Market
- Team
- IP
- Data
- Operational plan
- Regulatory plan
- Exit, valuation,
- Investment model



technology & innovation

- How creative is your approach – depth
- Competitive advantage - barriers
- Product vs. technology
- Disruptive vs. sustaining technology
- Development ability
- Benefit to users
- Need for user education



market

- Easy to look around; important to look ahead - Look for needs of growing markets
- Big market is a double edge sword but is the opportunity
- Be ready to discuss TAM, PAM, RAM
- Start with one product in one segment (AKA – focus)
- Existing reimbursement practices
- Avoid “technology in search of market”



team – key positions

- Experienced, mixed team, with knowledge, competence & track record
- Founder's role in the company
- Team's level of commitment
- Adaptability/flexibility – changing environment
- A kingdom vs. completely virtual
- Advisors, Investors
- Excitement in the eyes



Intellectual property

- Strong IP formulation – core claim
- FTO analysis
- Trade secrets/ know-how
- Remaining life of key claim
- Ongoing IP development based on a competitive IP map
- Geographic scope of filing
- IP strategy plan



operational plan

- Legal structure of the company
- Goals and objectives - Detailed work plan with clear milestones
- Time to first-in-man
- Resource plan (people, capital)
- Short term detailed budget
- 5-year P&L - Cash flow
- Scalability considerations



regulatory plan

- Show you understand regulatory requirements
- A clear regulatory pathway/strategy
- Use predicate information
- Use of regulatory consultant with record in the field
- Focus on consideration around things never done before when relevant



valuation – valuating your IP

- Should allow future company funding requirements
- Should not be a deal breaker
- The concept of a Full Diluted Basis
- Allocate a sufficient amount of ESOP
- Find comparables for the above
- Prepare IRR analysis
- Leave valuation discussion to the end



10 key success factors

1. Innovative, breakthrough solution – data driven
2. Address real market need
3. Team – experience, knowledge, competence
4. Realistic plan – focus on near term
5. Raise when and as much as you can (min 24 mo)
6. Valuation should be the last of your worries
7. Use grants as much as possible
8. Be ready for due diligence (documents...)
9. Always have “Plan B”
10. Stay optimistic and have fun





kerentech

Esther Moscatel Mendelsohn

+972542570243

Esther.moscatel@kerentech.com

www.Kerentech.com

Thank you