

The background of the slide is a dark blue gradient. Overlaid on this are several translucent, blue-tinted liquid droplets. A large, elongated droplet is the central focus, with several smaller, more spherical droplets clustered to its left. The droplets have highlights and shadows, giving them a three-dimensional appearance.

# The Value Optimization Dilemma Solutions from HealthPro BioVentures

 HealthPro BioVentures

# The Challenge

**“How does a Biotech company optimize its value while continually accessing the capital markets?”**

- Investors remain skeptical about claims of many executive teams that their clinical and development strategies will guarantee success.
- Many biotech companies have failed to produce results or languished for years without achieving critical end points that could have driven increased value.
- Even companies in advanced trials and with product pipelines encounter investor concerns that management will not deliver milestones on time, effectively organize regulatory efforts, or establish viable marketing strategies.

# The Solution

## Managing Total Risk

“It takes more than just a promising scientific concept or drug to build value”

- Sophisticated investors know that it takes more than just “good science” and a promising molecule to create real value.
- Providing “proof” to investors of the viability of the company’s scientific and clinical strategy is *not* sufficient.
- The companies which will succeed in the race for funds will be those that show that their overall risk profile is the safest or is more favorable than their peers.

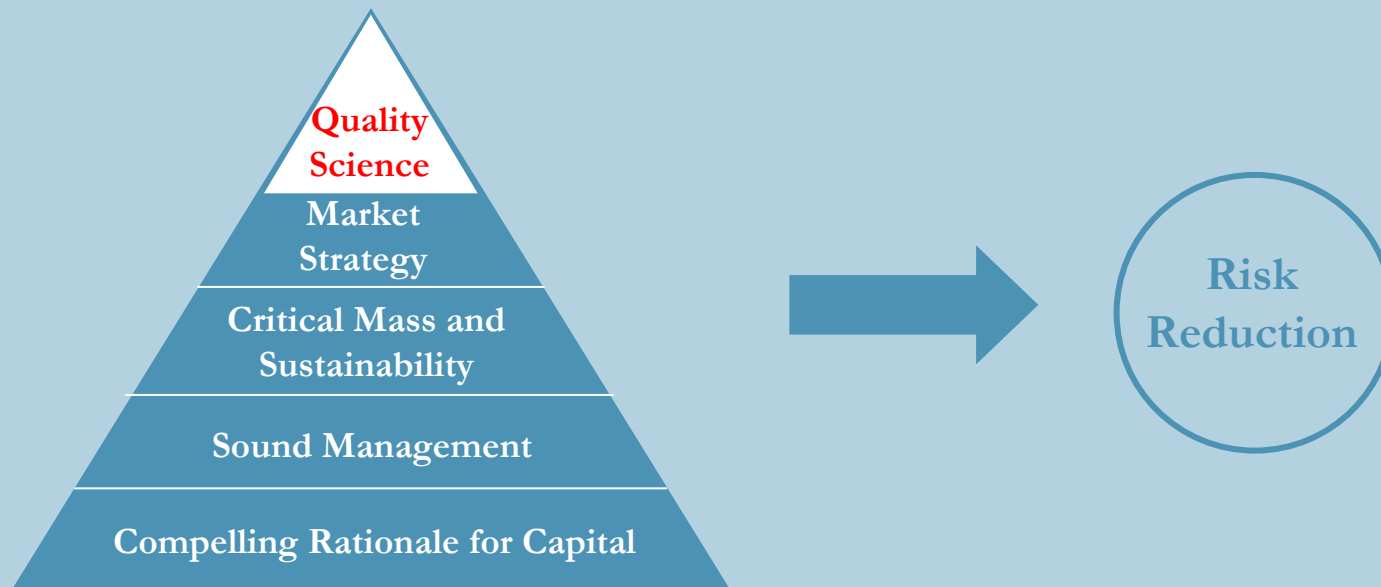
# Managing the “Total Risk Profile”

“Ultimate success depends on being able to deliver the promise of *the company*, not just the promise of *the science*”

- Companies that will win the race for funds and ultimately succeed as companies will be those that consistently demonstrate that their “Total Risk Profile” is safest among peers.
- The company’s quality of science, market strategy, growth plan and management model should minimize the likelihood of clinical failures or delays, manufacturing or formulation setbacks, cost overruns or lack of capital.
- Companies must demonstrate over and over again their strengths and provide a compelling argument that will continually attract investors.

# Total Risk Reduction

“The promise of the science, a receptive marketplace for the products, the capacity to sustain the business over time, and the ability to manage the team”



# Biotech companies need to demonstrate that their science will translate into products that the market wants and will pay for



“It’s not enough to have a promising molecule; it has to be better than what your competitor is developing and someone has to need it”

A new drug or therapy will reward its developers and its investors only if a meaningful market place exists for it (and will continue to exist when it is finally approved)

- Not only meet regulatory requirements for superior efficacy, safety and/or cost but be capable of attracting physicians and patients
- Not be threatened by developments by competitors of superior alternatives
- Have a high potential for inclusion on formularies of key users and payors

**Companies with meaningful pipelines and the capacity to sustain their success over time offer more opportunities and can better withstand reverses**



**“It’s not just having a business development person who randomly reviews acquisition opportunities...”**

A richer product pipeline with products ranging from pre-clinical to approval stage allows the biotech company to:

- Diversify risk through a stronger and deeper pipeline
- Access complementary technologies that can accelerate drug discovery and development
- Selectively triage the pipeline for development of the “best” products
- Create a stronger and broader intellectual property platform
- In-license additional products and ultimately create a dedicated sales and marketing team
- Add diversity and clinical expertise that will cause Big Pharma to take notice
- Enhance the ability to retain and attract experienced management teams and scientific advisory boards
- Create greater access to strategic partners and key scientific relationships

When biotech companies demonstrate that they have management skills that match their scientific and market potential, their chances for funding increase dramatically



“Management success requires more than hiring a couple of smart executives at the top who, you hope, know what they are doing...”

In addition to skilled, experienced senior management, a biotech company needs to demonstrate that it has the systems and processes to:

- Effectively plan and measure performance against objectives
- Recruit top notch talent and develop staff to their full potential
- Effectively budget and control costs
- Meet deadlines and milestones for key activities
- Motivate all employees to perform to their maximum
- Deal effectively with fast changing business environments and transform the business model to meet evolving challenges



**When biotech companies demonstrate that they have a concise strategy to access the capital markets, the probability of a successful financing increases dramatically**

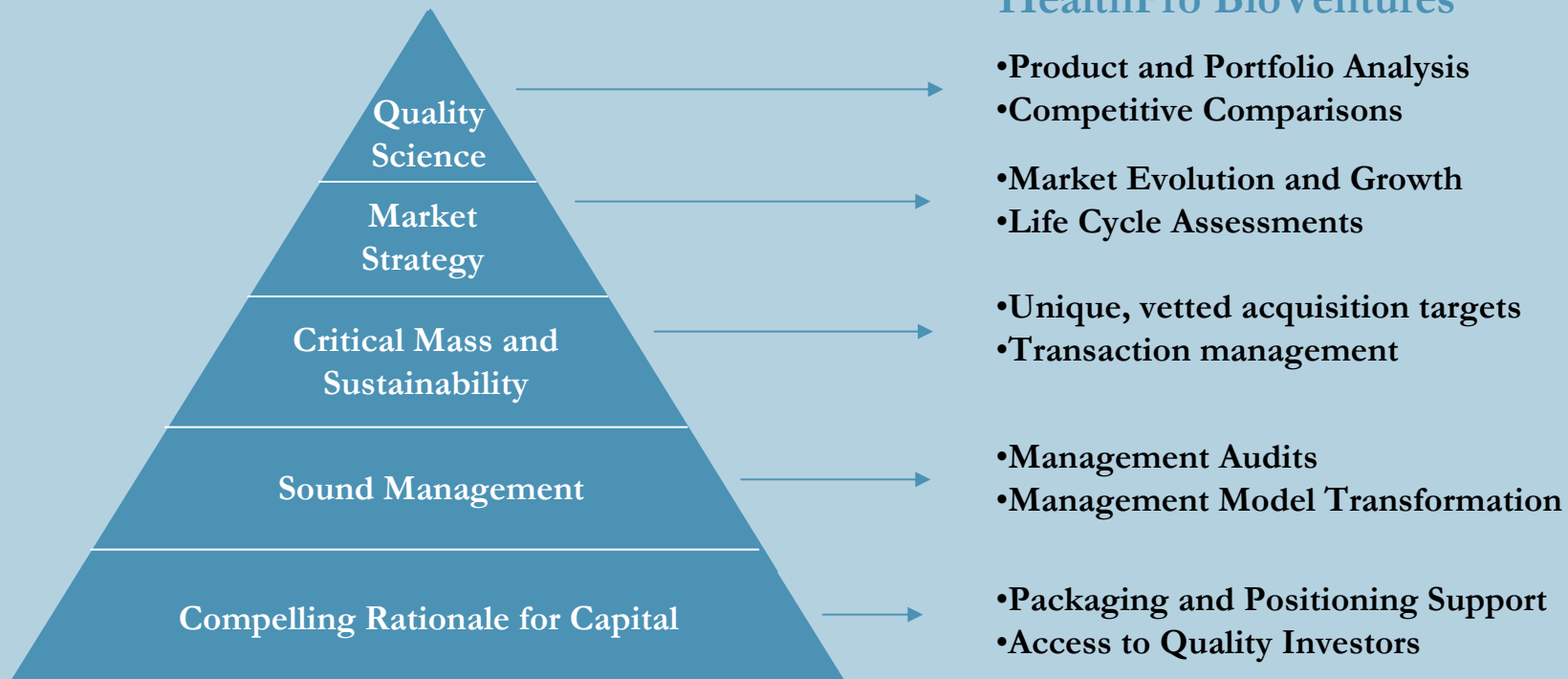


**“It’s not just meeting with any potential investor, but having a precise plan and an investor presentation that answers all of the questions”**

The value of a well constructed and precise financing plan is:

- Well vetted investors use your time and their time more effectively. You present to investors, not “shoppers”
- You present to investors in terms of their needs, not your needs.
- You access the least dilutive form of equity capital, with least overhang
- You access post transaction capital at potentially higher valuations
- You attract new capital with the potential for higher returns for shareholders and management
- You create a cadre of long term investors that you will return to for additional financings

**We can help emerging biotechs build the capacity to deliver results and then find the investors who will fund their growth**



**We will position your firm, gain access to investors who count,  
and help you close the deal**

# A Straight Forward, Four-Step Solution to Meeting Your Funding Requirements

1

- Define the Business Goals
- Determine Financial Needs
- Define the Optimum Business and Management Model

2

- Validate the Science and the Market
- Determine Needs for Critical Mass and Qualify/Act on Opportunities
- Fix the Management Model

3

- Position the Firm
- Identify the Right Investors
- Present the Package

4

- Negotiate and Close the Deal

## **A Unique Model**

**We validate the promises of the scientific strategy and ensure that our clients can demonstrate the management capacity and capabilities to deliver on those promises.**

**We provide a unique pipeline of highly vetted acquisition targets and walk our clients through the intricate steps of negotiating and closing a pivotal transaction.**

**We identify sources of funding and also effectively prepare our clients for success in meeting the requirements of potential investors.**

**We will position your firm, gain access to investors and strategic partners who count, and help you close the deal.**