

A close-up photograph of a person's face, focusing on their eyes and nose. The person has light-colored eyes and is looking slightly to the right. The background is blurred.

THE VALUATION EXPERTS

What is Value for Investors

Dr. Aitana Peire

October 2014 | ScanBalt Forum 2014

About us



The following statistical information has been obtained from Biotechgate. Biotechgate is a global, comprehensive, Life Sciences database encompassing the Biotechnology, Pharmaceutical and Medical Device industries. www.biotechgate.com

The Scandinavian Life Sciences Database is a part of the global Biotechgate and is brought to you in partnership with SwedenBIO, Stockholm-Uppsala Life Science, Business Region Göteborg, Copenhagen Capacity, Invest in Skåne and Oslo Cancer Cluster. www.scandinavianlifesciences.com

Biotechgate is owned and operated by Venture Valuation AG, a Zurich based company specializing in independent assessment and valuation of technology-driven companies in high growth industries, such as the Life Sciences (Biotech, Pharma, Medtech), ICT, high-tech, Nanotech, Cleantech and Renewable energy. www.venturevaluation.com

Agenda

- **Overview of ScanBalt Life Sciences Industry**
- **Financing trends – Private financing**
- **Value Drivers**
- **Dos and Don'ts in raising money**

Overview of the ScanBalt Life Sciences Industry

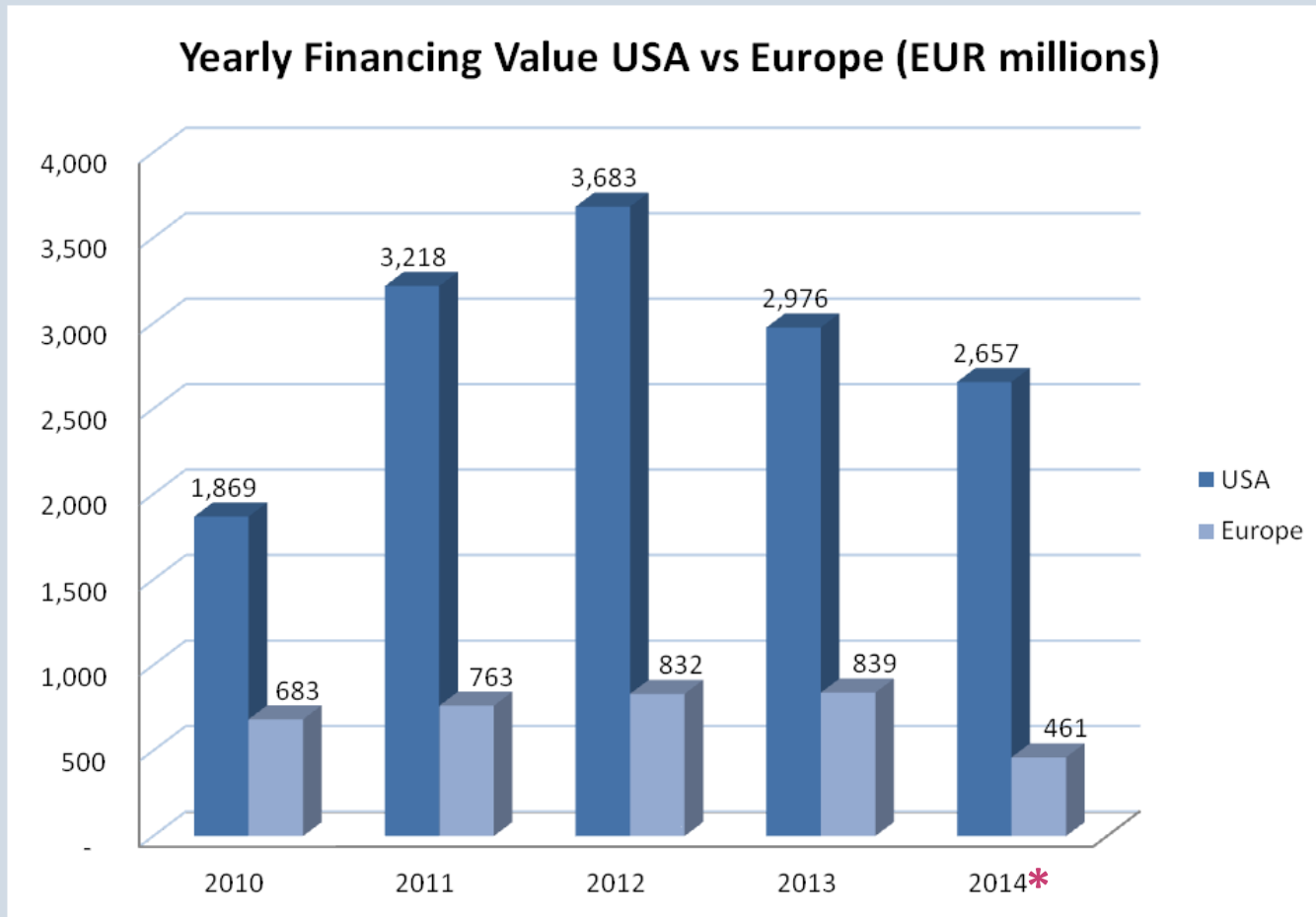
	Denmark	Estonia	Finland	Iceland	Latvia	Lithuania	North Germany	North Netherlands	Norwegian	NW Russia	Poland	Sweden	Total
Total Biotech Companies	136	20	54	3	15	16	221	24	64	5	59	446	1063
Medtech companies	73	3	13	1	0	1	55	4	12	0	4	364	530
Pharma companies	11	1	4	1	2	1	11	1	11	1	17	45	106
Public / Non-Profit Organizations / Medical Facilities	46	20	14	1	8	29	68	2	34	6	89	140	457
Other Life sciences companies	126	14	28	1	8	8	119	17	42	5	70	976	1414
Publicly Owned Companies	32	1	3	0	3	2	16	0	13	0	5	99	174
Total	424	59	116	7	36	57	490	48	176	17	244	2070	3744

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Financing trends

Private financing Biotech and Medtech

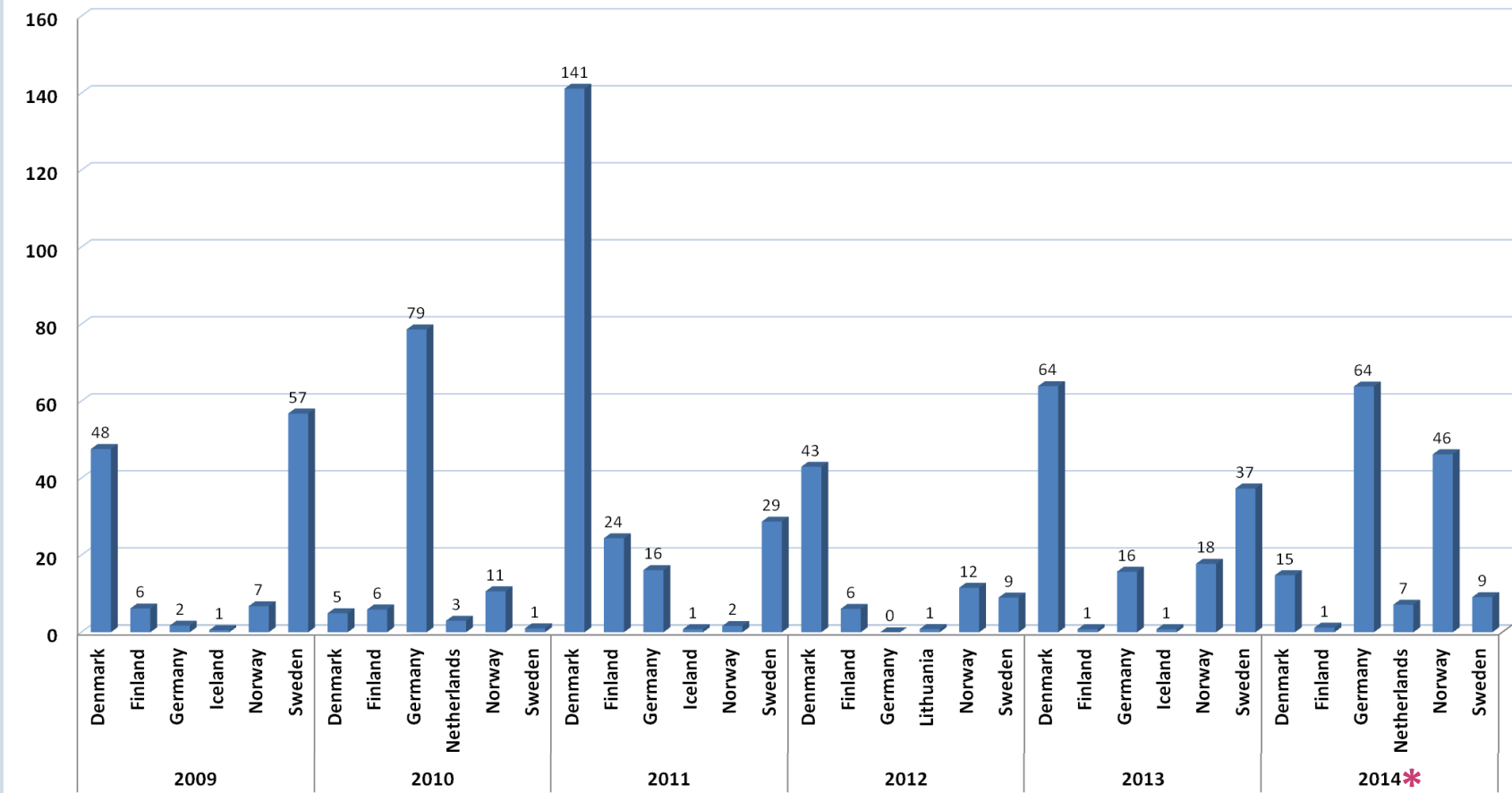


*partial year, January to September

Financing trends

Private financing Biotech and Medtech

Yearly Financing Value in the ScanBalt countries (EUR millions)



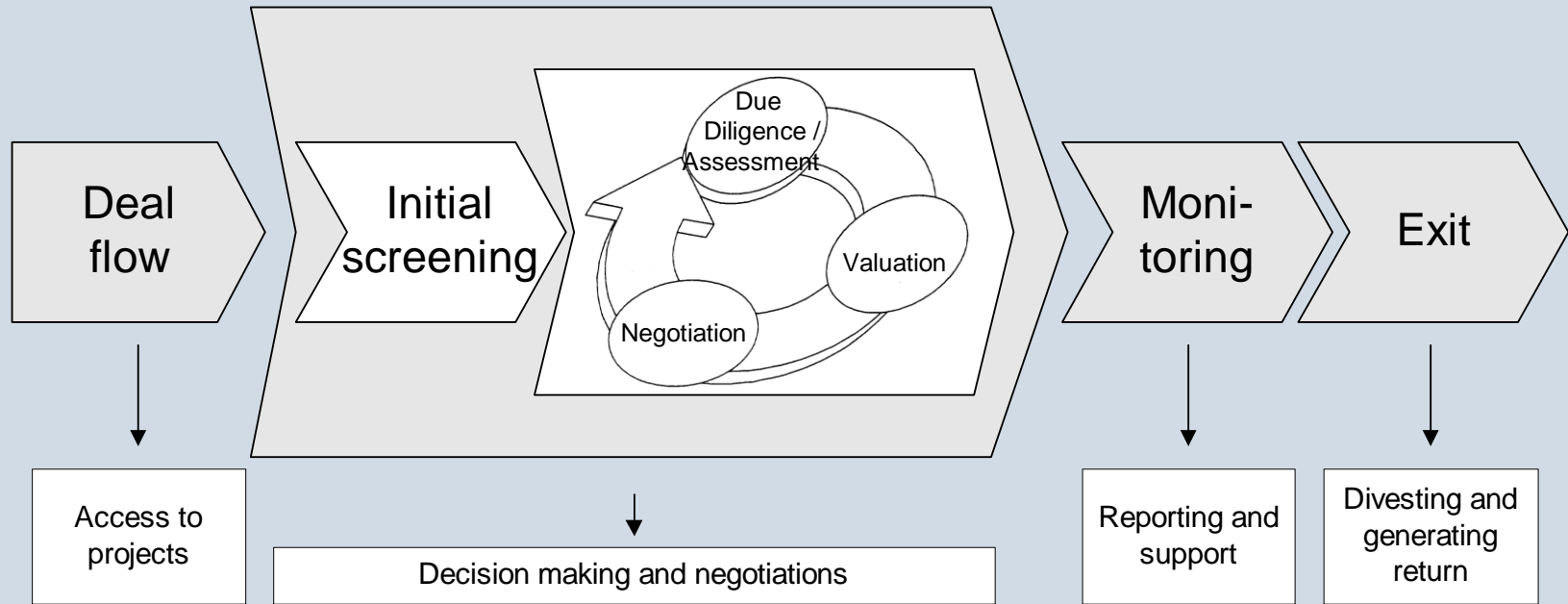
Northwestern Russia, Latvia, Poland, Estonia did not have any recorded financings in the study period.
Netherlands and Germany include only the regions part of ScanBalt

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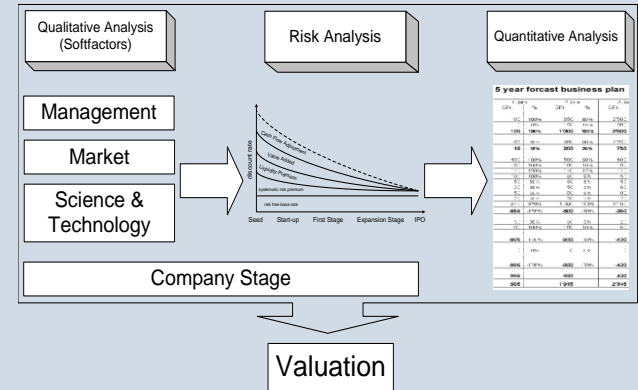
Investment Process



Value Drivers

Risk as key factors for Investors

- Management / execution
 - Market
 - Science & Technology
- Define the risk profile of company



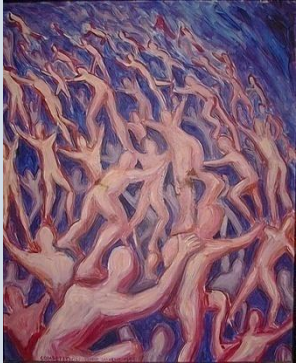
Investor is looking for low risk, high potential

Management



1. Completeness / complementary skills
2. Track record / experience
3. Motivation / Incentive structure
4. Organization
5. Emotional intelligence / social competence
6. Composition and involvement of boards

Market Environment

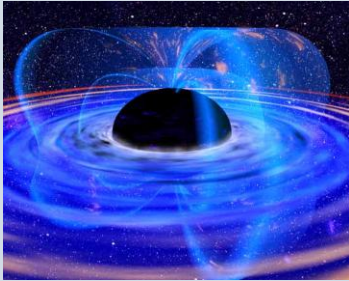


1 -5. Industry Structure: (Five forces by Michael Porter)

1. Threat of new Entry
 2. Rivalry among existing competitors
 3. Pressure from substitute products
 4. Dependencies on customers
 5. Dependencies on suppliers
6. Current and future market potential
 7. Customers
 8. Political / legal dependencies

➤ **Cost and Sales estimations**

Science & Technology



1. Intellectual Property (IP)
 2. Unique selling proposition
 3. Alliances/partnerships
 4. Management of future discoveries
 5. Time to market
- **Cost and Sales estimations**

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Dos for the preparation

- Be specific. Substantiate statements with market data
- Summarize and properly structure financial information; review by outside parties
- Show how much money you need; how do you spend it
- Attractive business plan (design), but not overdone
- Network like crazy
- Choosing your VC is as choosing a co-founder
- Do reference checks on the VC (previous investments)
- Having multiple term sheets makes a difference

Don'ts for the preparation

- Don't use highly technical descriptions of products
- Don't make vague or unsubstantiated statements
- Don't ignore or underplay your competition
- Don't ignore key risks
- Don't take the funding process lightly
- Don't try to raise between significant milestones
- Don't be afraid to ask for adequate funding

Dos in the Sales pitch

- Show a clear and logical exit strategy
- Save up good news for the middle of the process
- Wait until you have significant traction
- Be direct and have a plan – VCs like to see your confidence
- Be open and honest
- Be brief – provide executive summary
- Cite clearly how much money the company will need
- Be realistic in making estimates and assessing market

Don'ts in the Sales pitch

- Don't pitch ideal VCs first – practice
- Don't just pitch - listen to the VC
- Don't be defensive
- Don't pick your investor solely on brand/name.
- Don't plan on closing any rounds in August / December or within a short time
- Don't engage in a bidding war.
- Don't travel too much – stay local
- Don't press people beyond the Thank You email after a meeting.



Thank you!

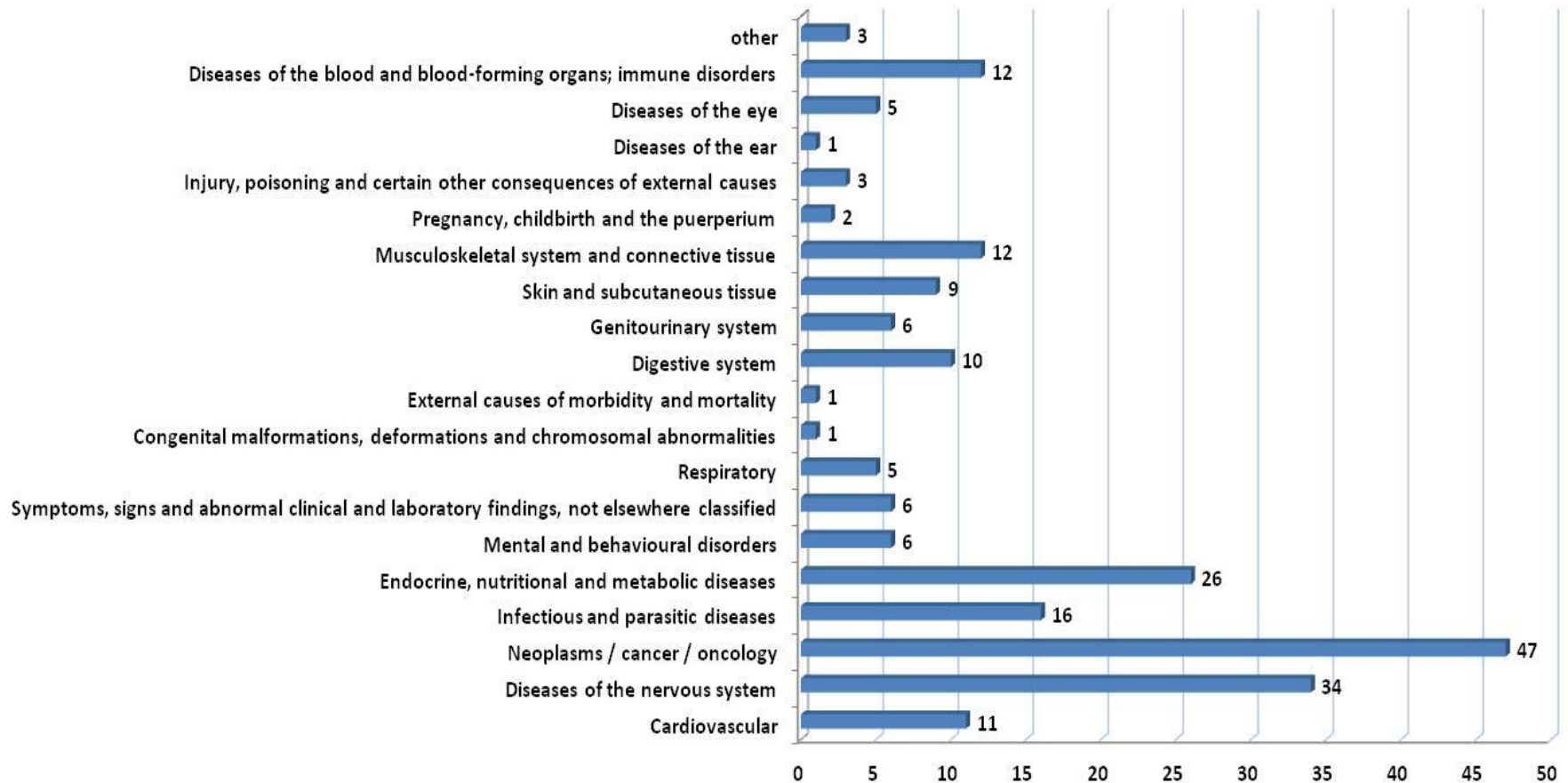
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slides available at:
www.venturevaluation.com

Biotech products

Breakdown by Indication – Sweden

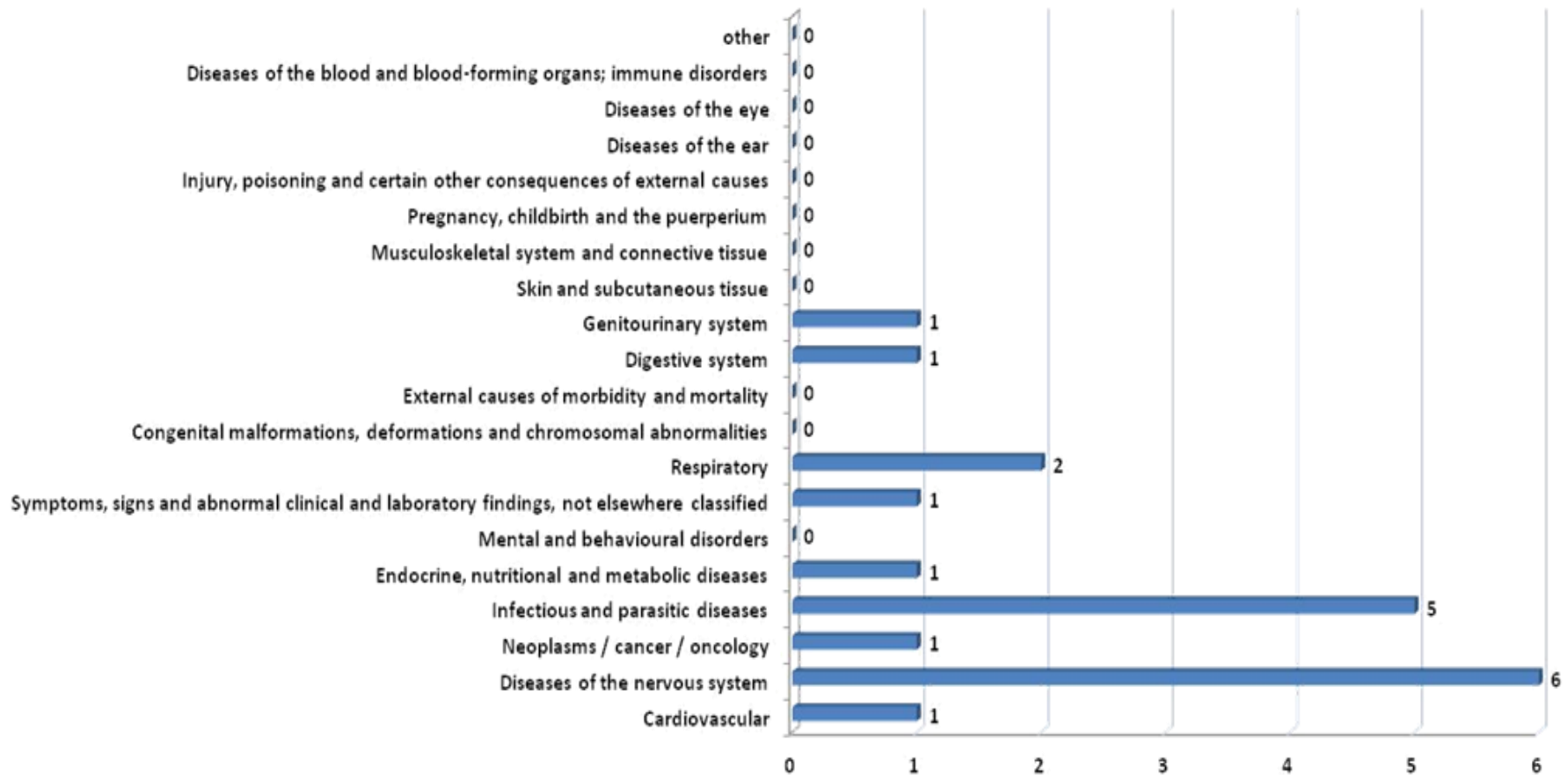
Biotech Products by Indication - Sweden



Biotech products

Breakdown by Indication – Northern Netherlands

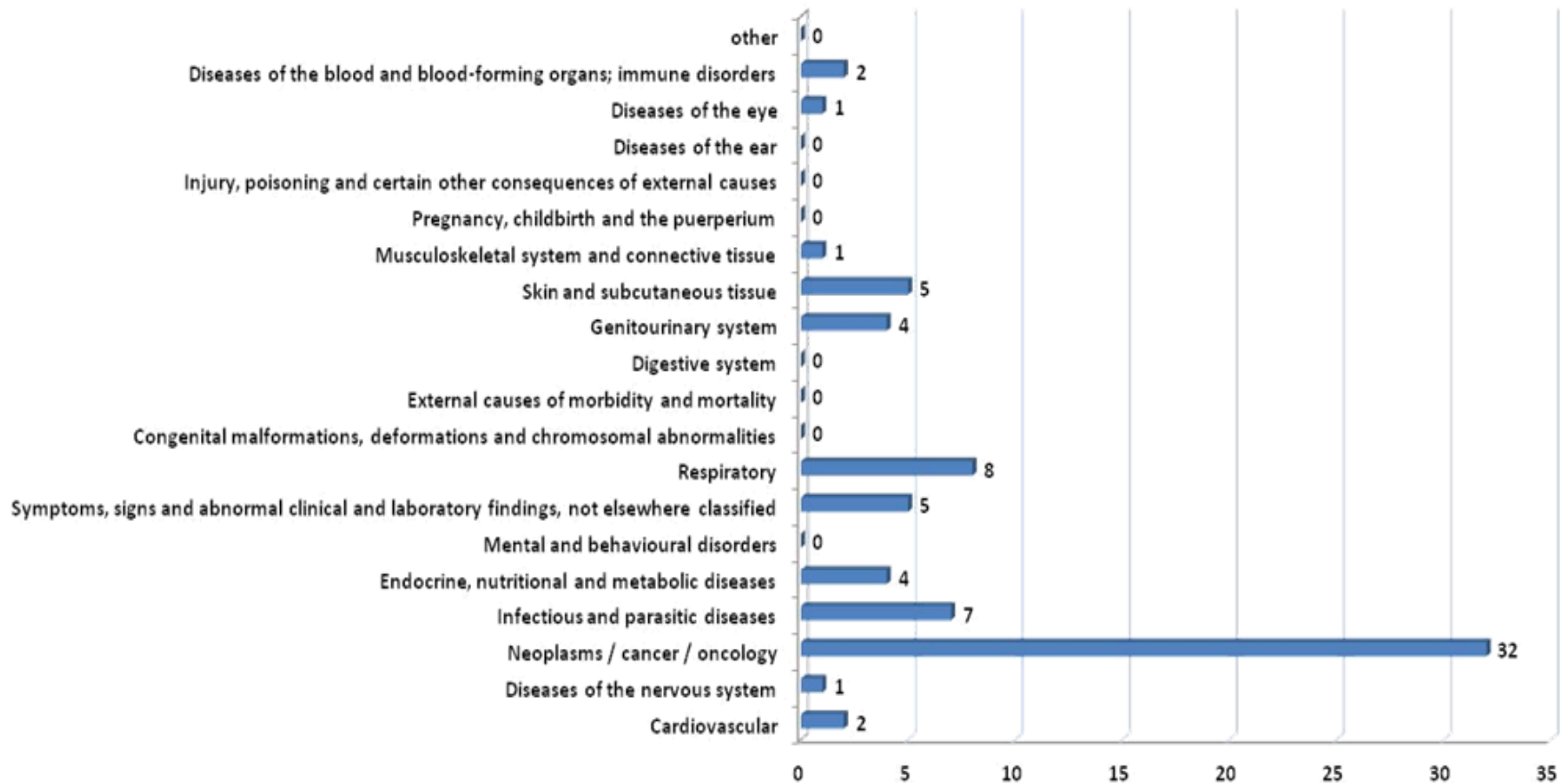
Biotech Products by Indication - N. Netherlands



Biotech products

Breakdown by Indication – Northern Germany

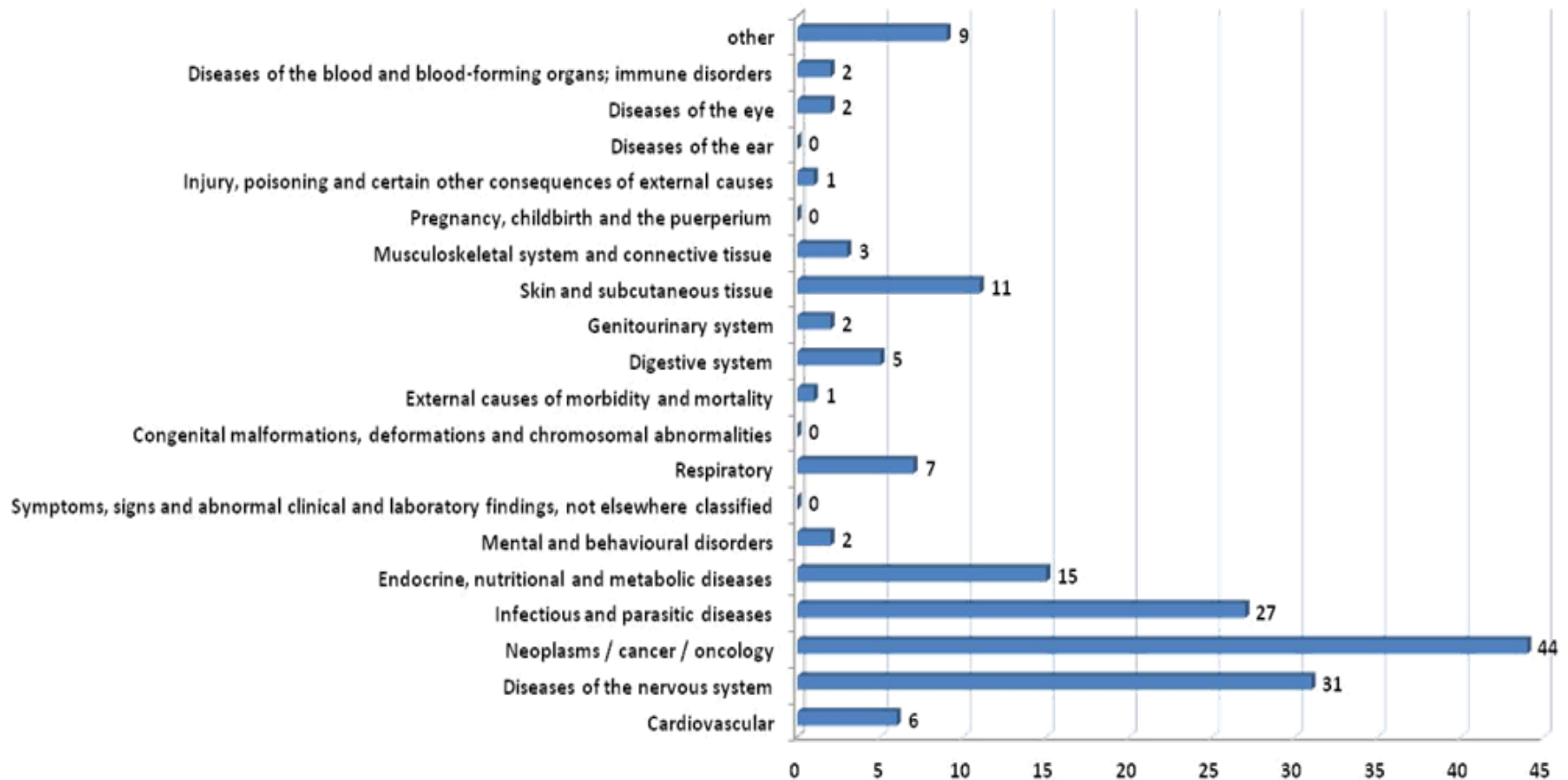
Biotech Products by Indication - N. Germany



Biotech products

Breakdown by Indication – Denmark

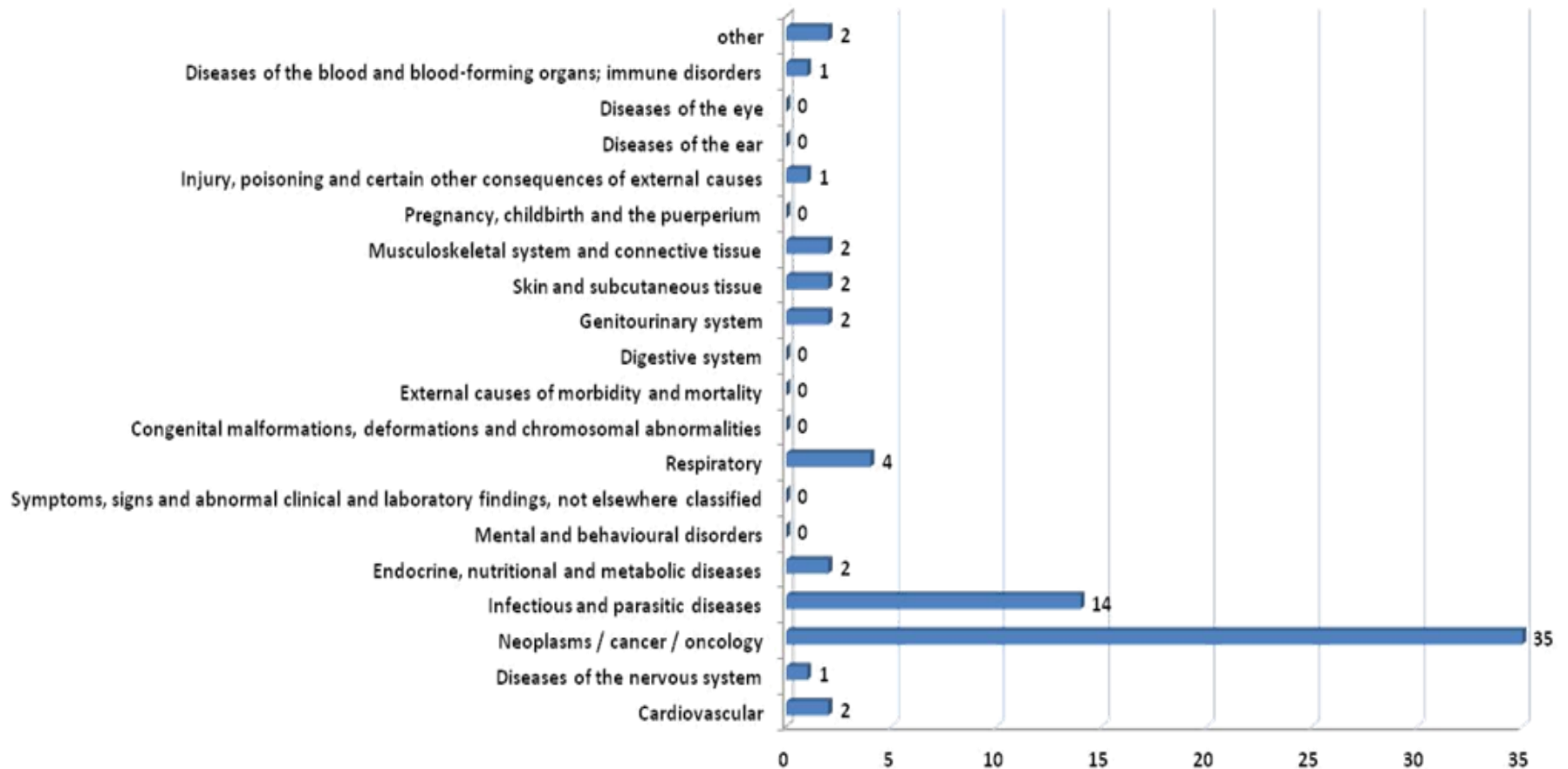
Biotech Products by Indication - Denmark



Biotech products

Breakdown by Indication – Norway

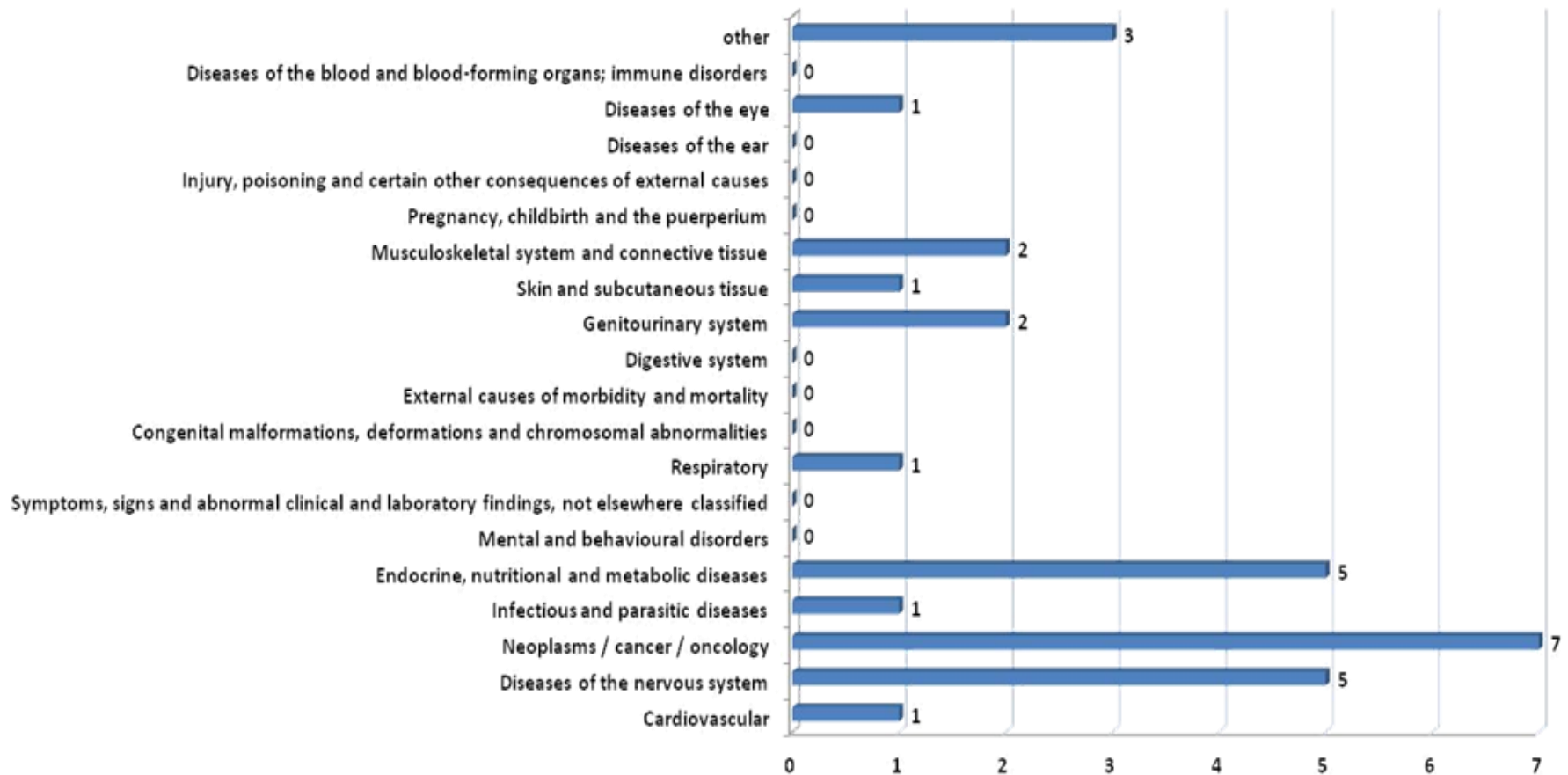
Biotech Products by Indication - Norway



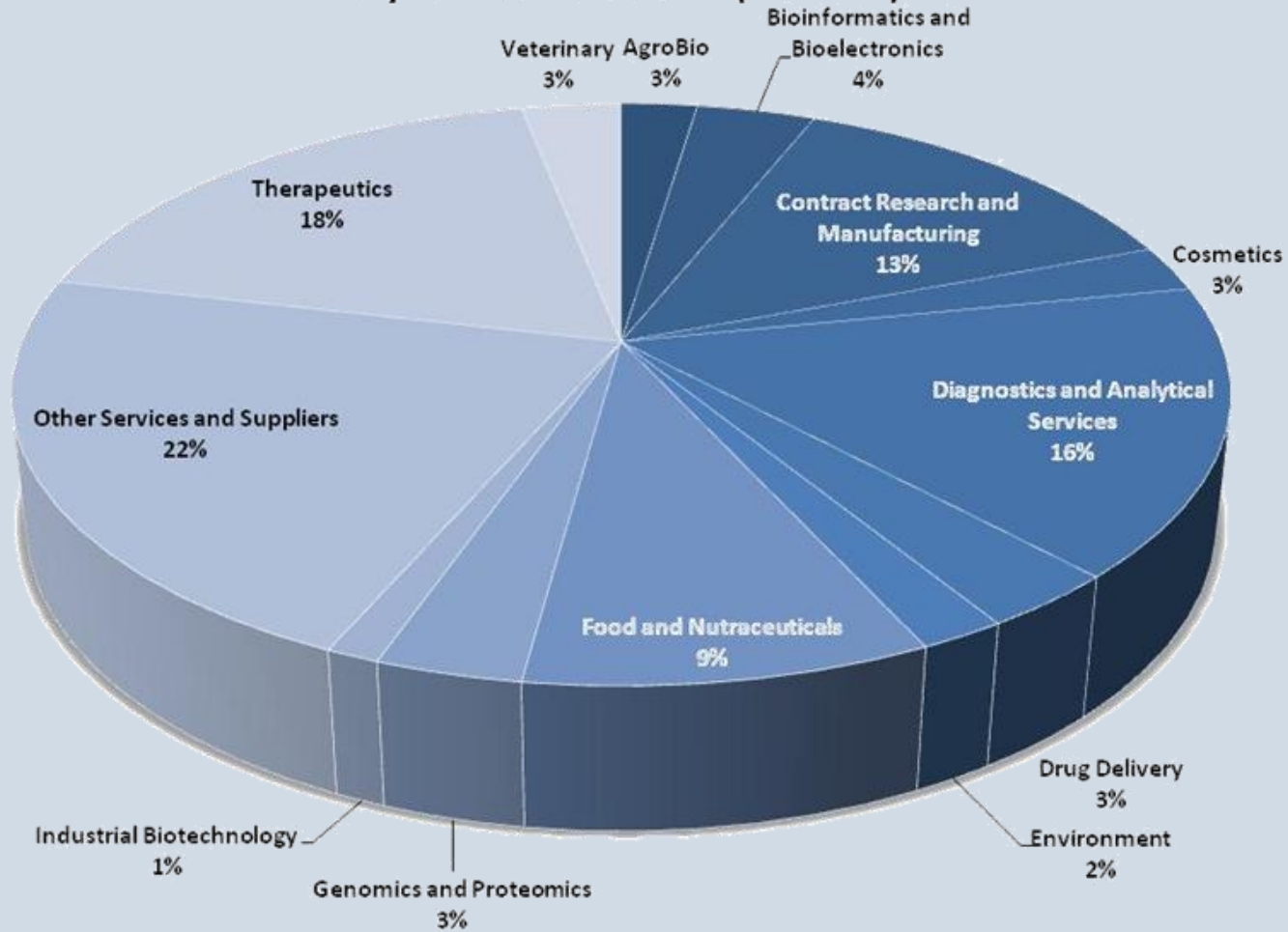
Biotech products

Breakdown by Indication – Finland

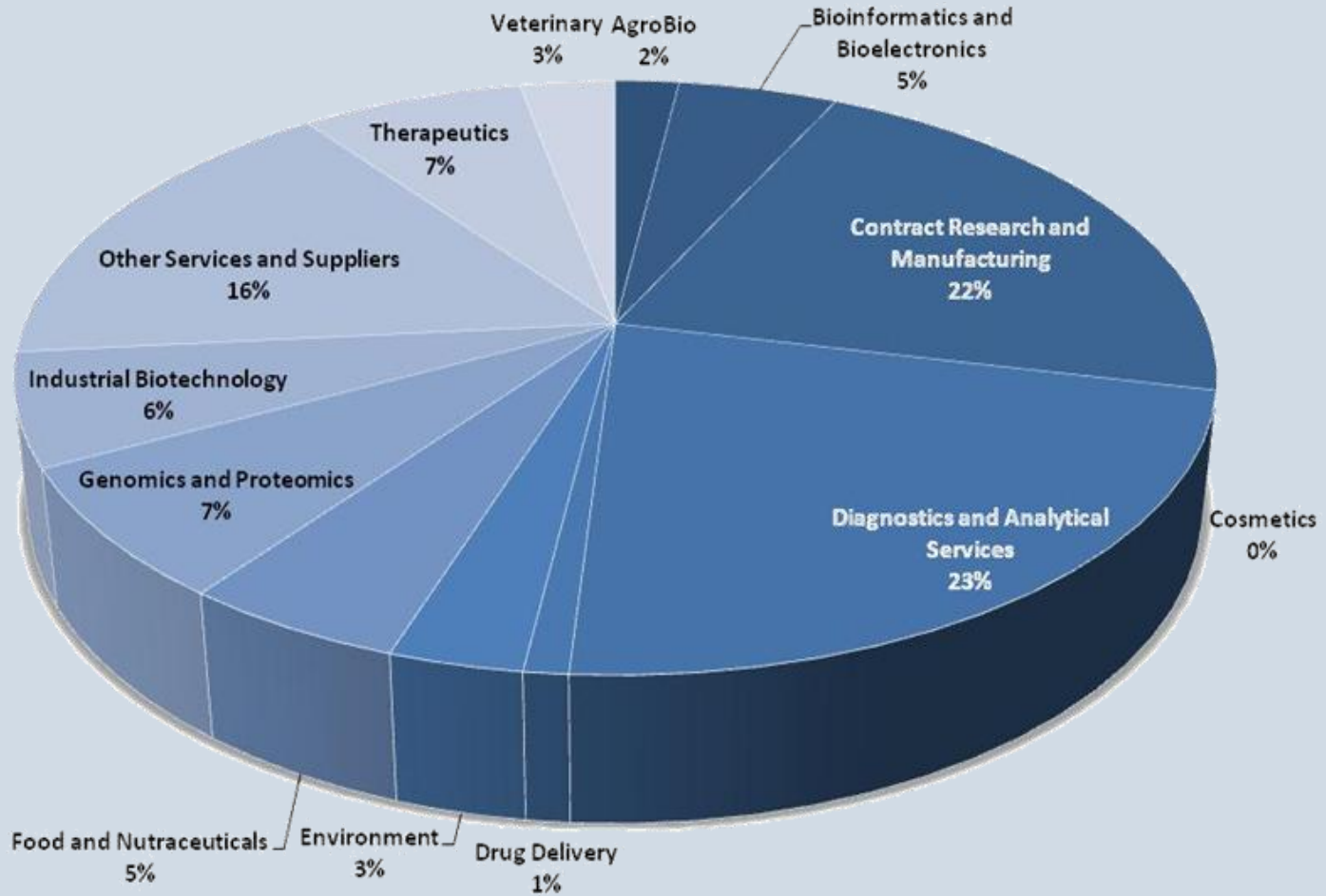
Biotech Products by Indication - Finland



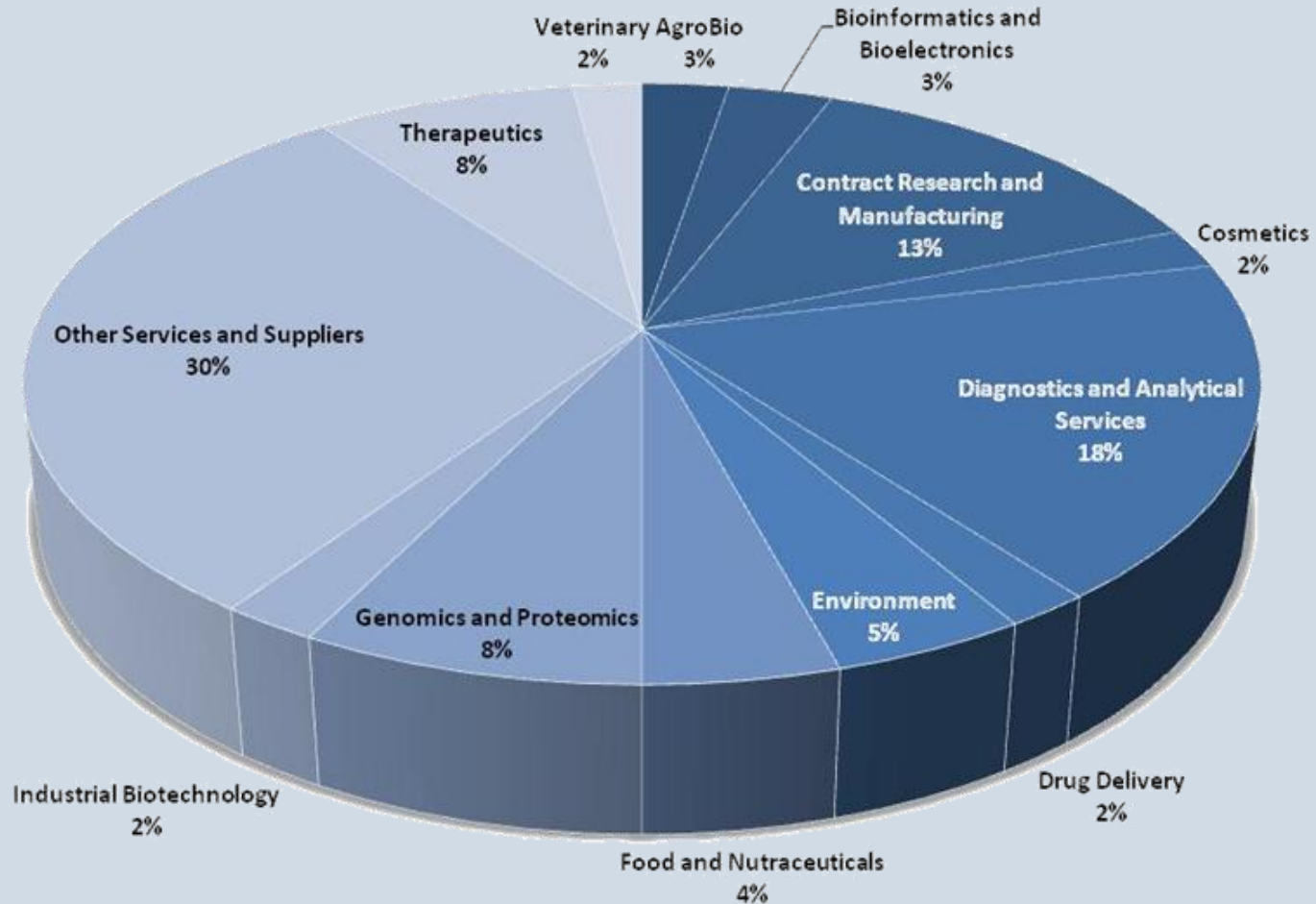
Key Biotech activities (Sweden)



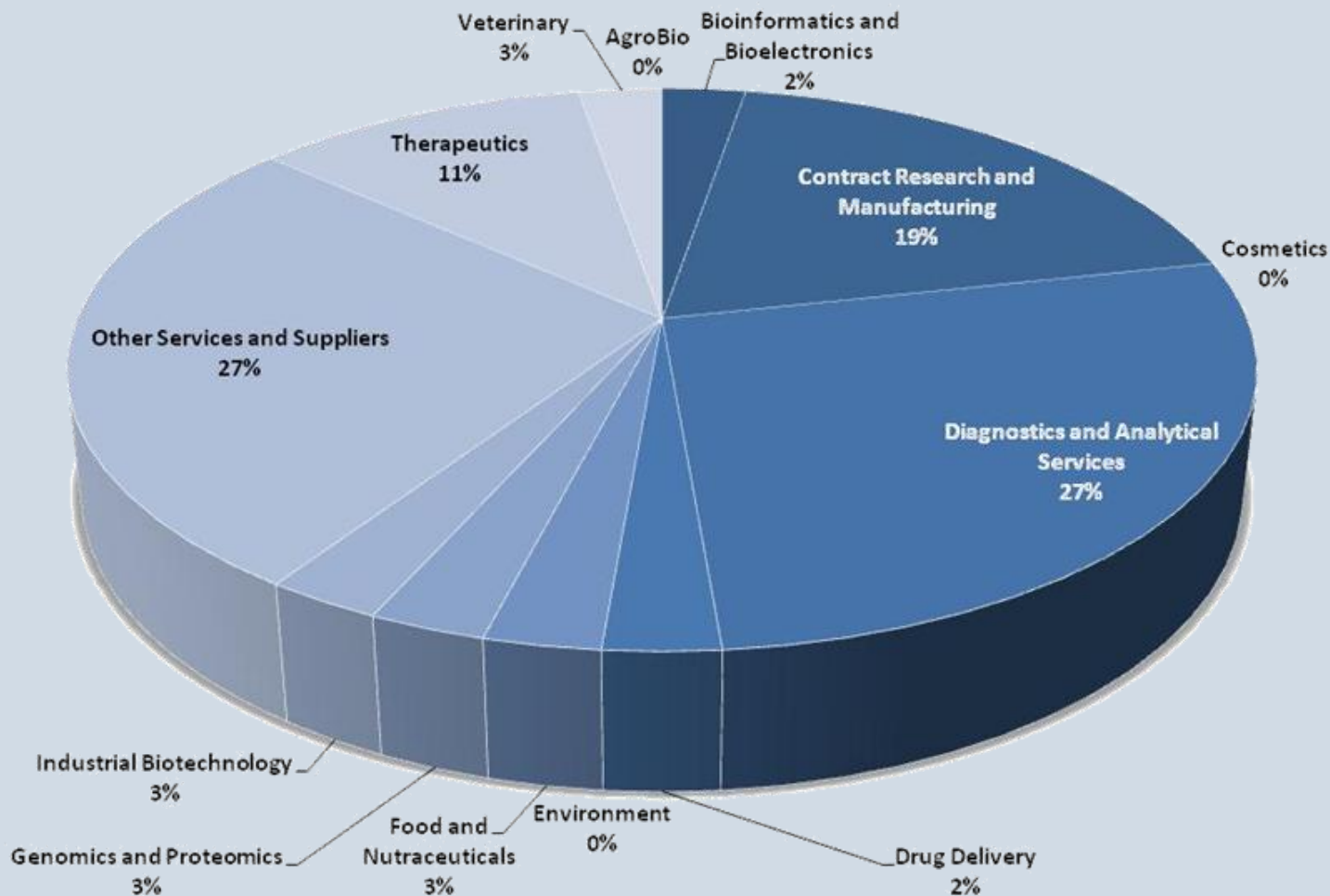
Key Biotech activities (Finland)



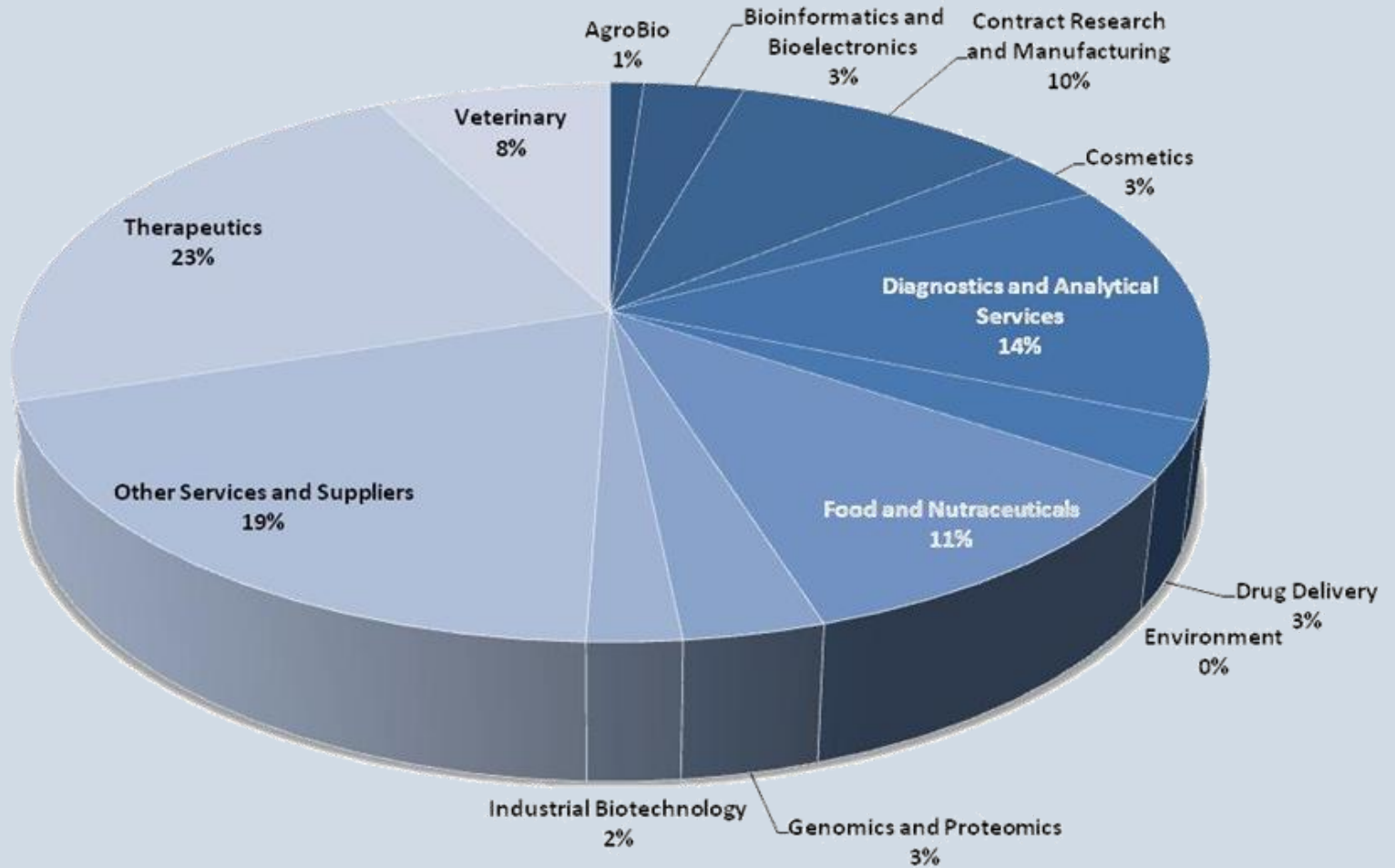
Key Biotech activities (N. Germany)



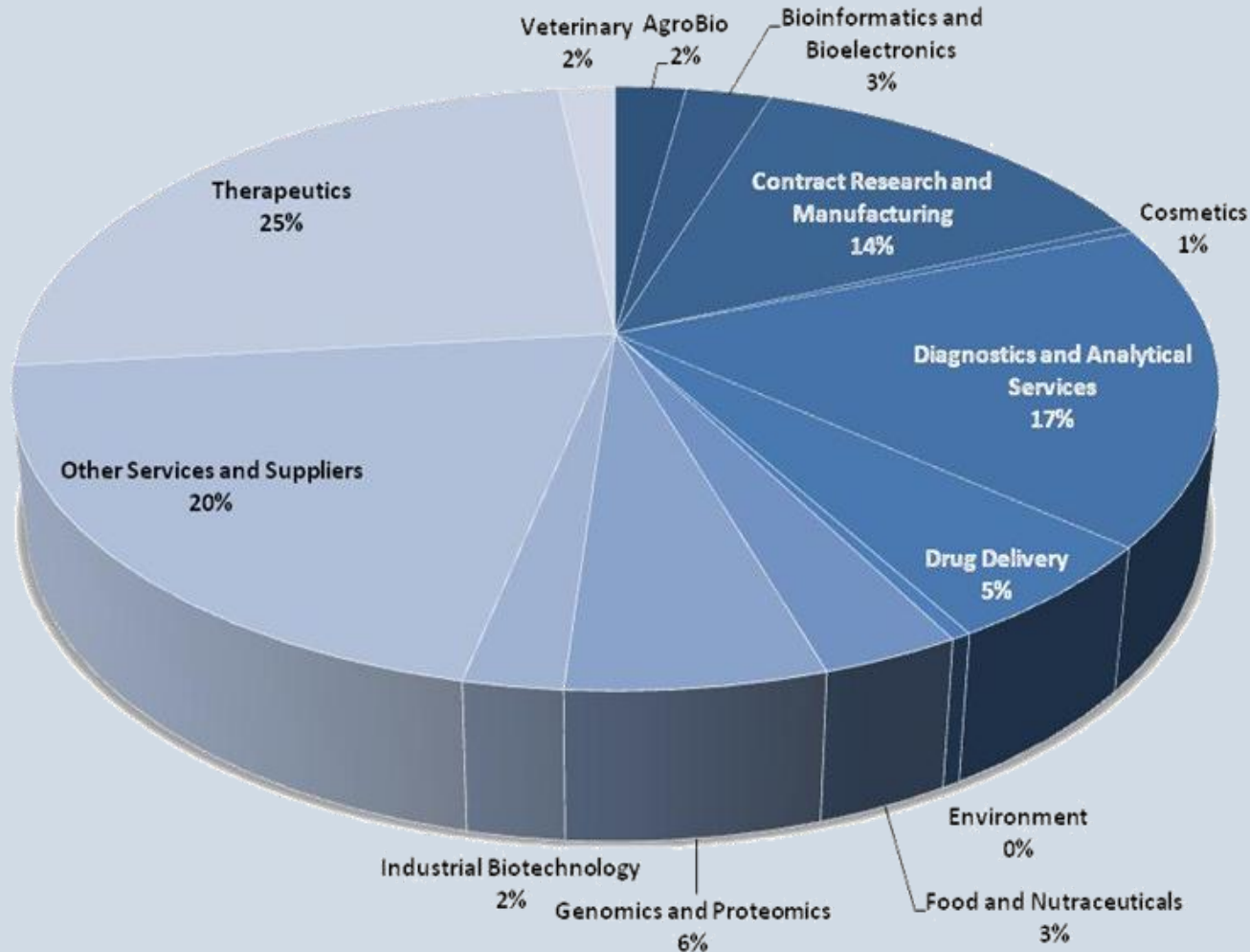
Key Biotech activities (N. Netherlands)



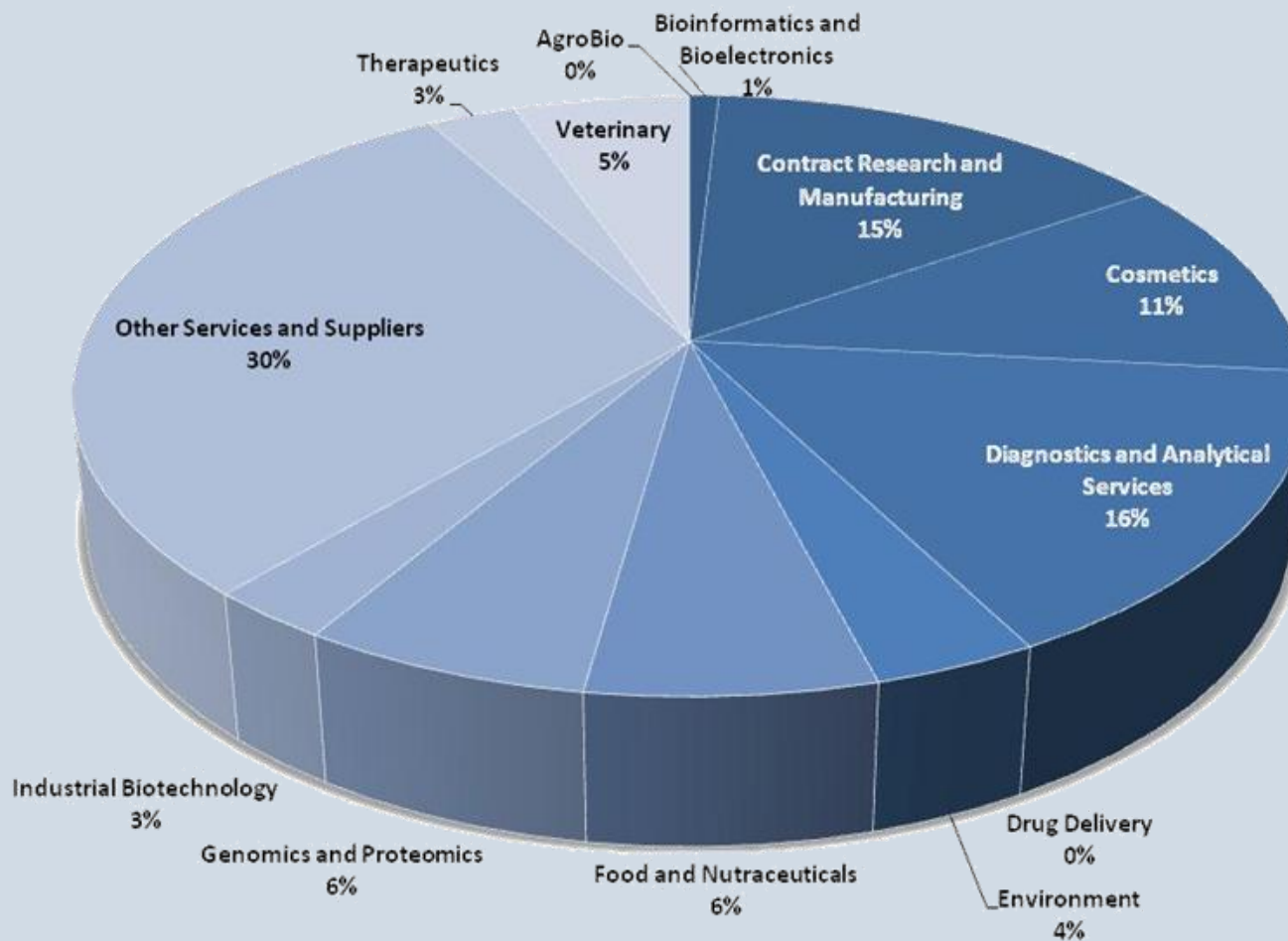
Key Biotech activities (Norway)



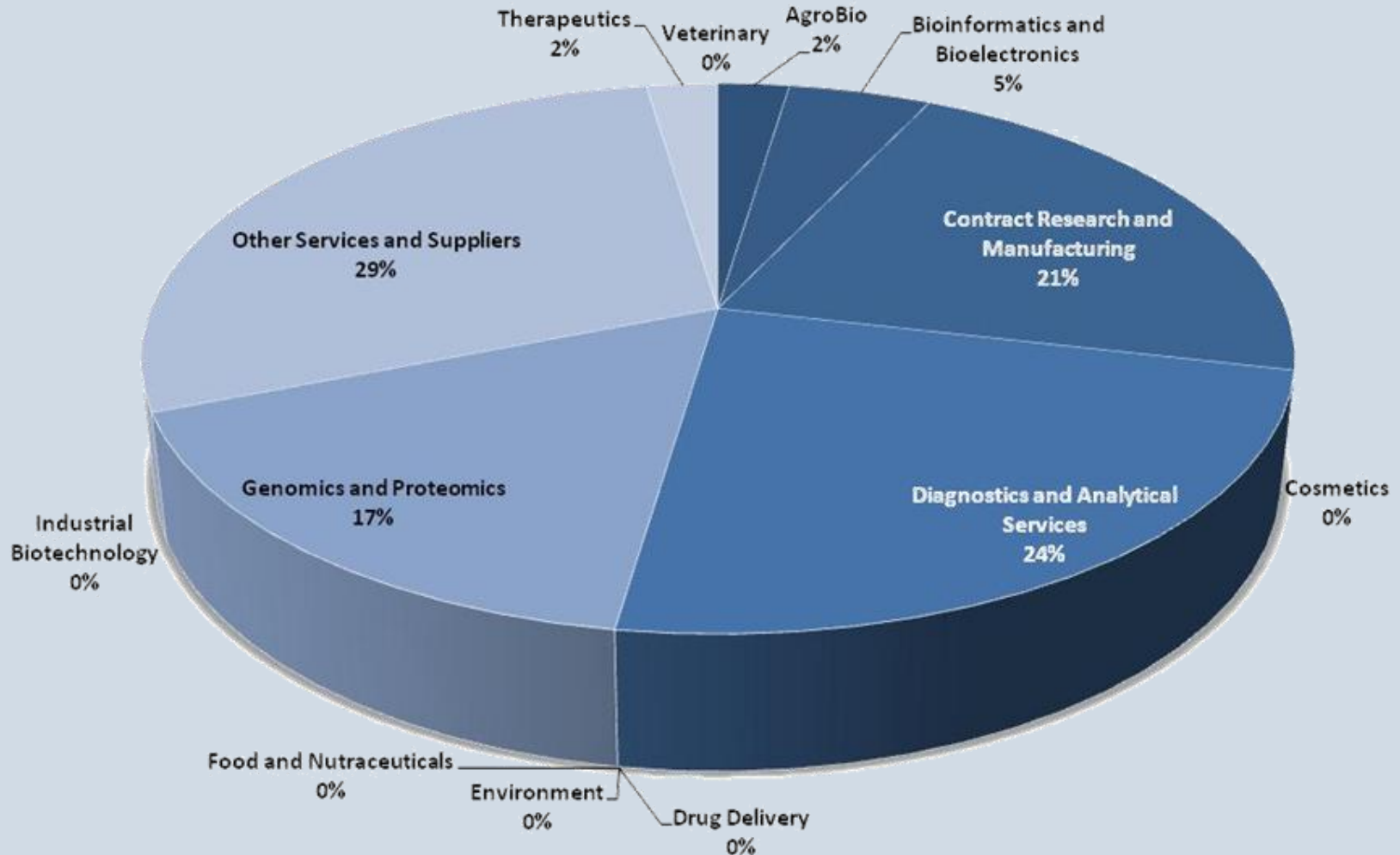
Key Biotech activities (Denmark)



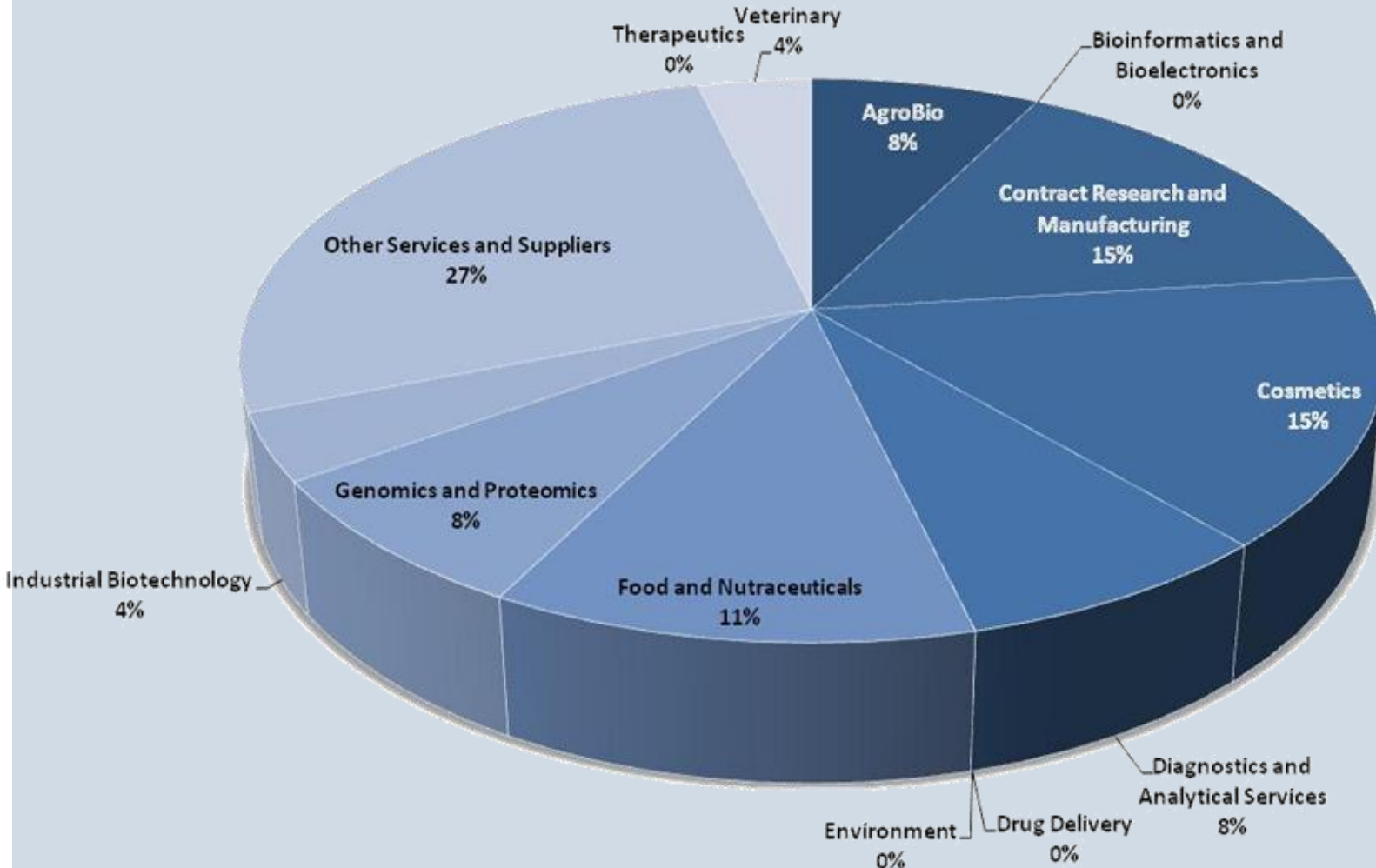
Key Biotech activities (Poland)



Key Biotech activities (Estonia)



Key Biotech activities (Latvia)



Key Biotech activities (Lithuania)

