



# Bio Advance

Biotechnology Greenhouse of Southeastern Pennsylvania

Funding Workshop  
May 27, 2009 (Updated Aug 2010)

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# Workshop Objectives

- **Explain how we evaluate proposals**
- **Identify questions we will be asking**
- **Help you understand strengths/weaknesses of your business opportunity**
  - ♦ **Some problems are not fixable**
- **Manage expectations and avoid surprises**

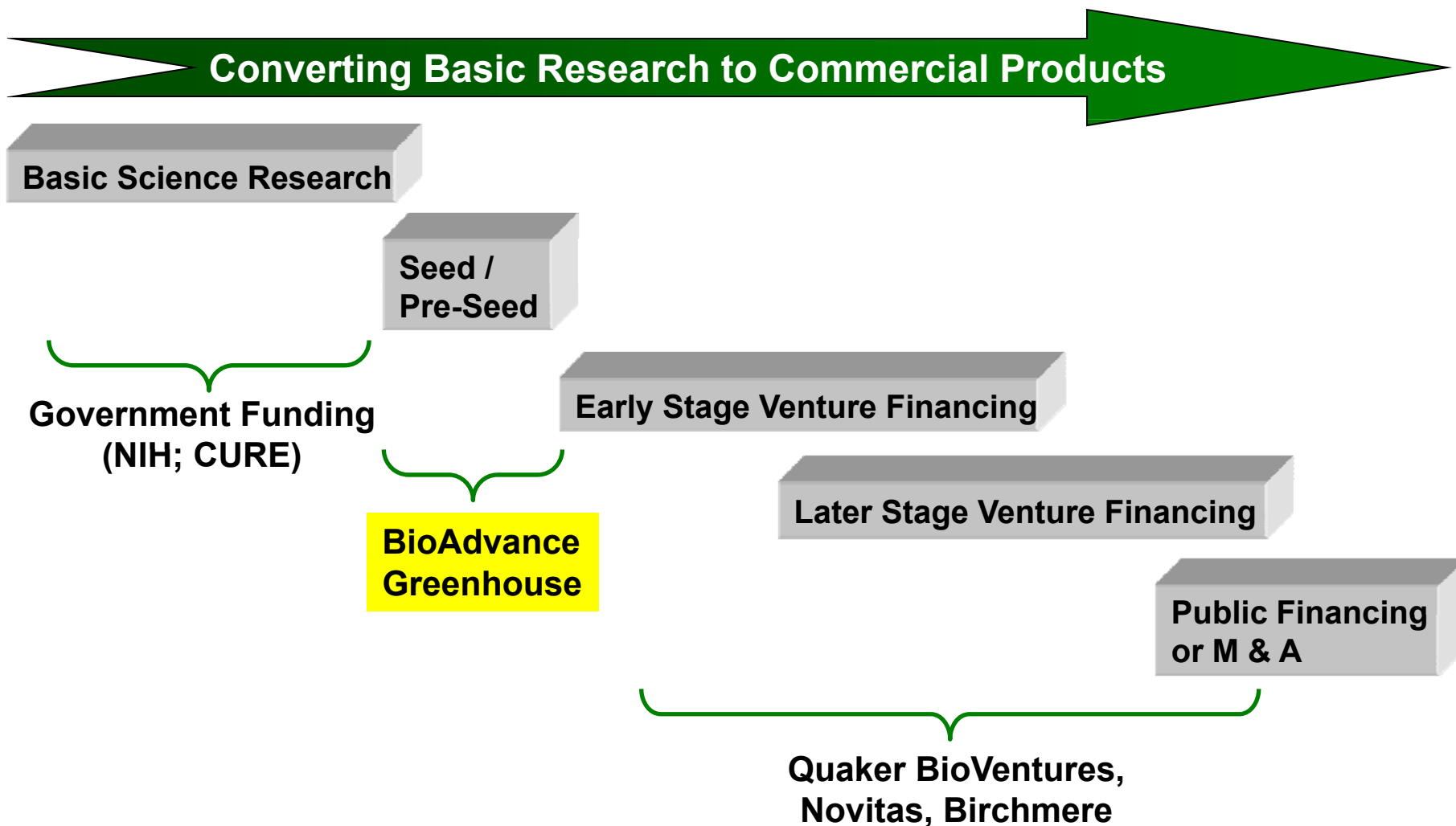
# BioAdvance Team

- **Management**
  - ◆ **Barbara S. Schilberg, J.D.**
  - ◆ **Christopher J. Damm, M.D.**
  - ◆ **Marie A. Lindner, M.D.**
  - ◆ **Marnie McCoy**
- **Entrepreneurs not-in-residence**
  - ◆ **Hal Broderson, M.D.**
  - ◆ **Shahram Hejazi, Ph.D.**
  - ◆ **Jeff Edelson, M.D.**

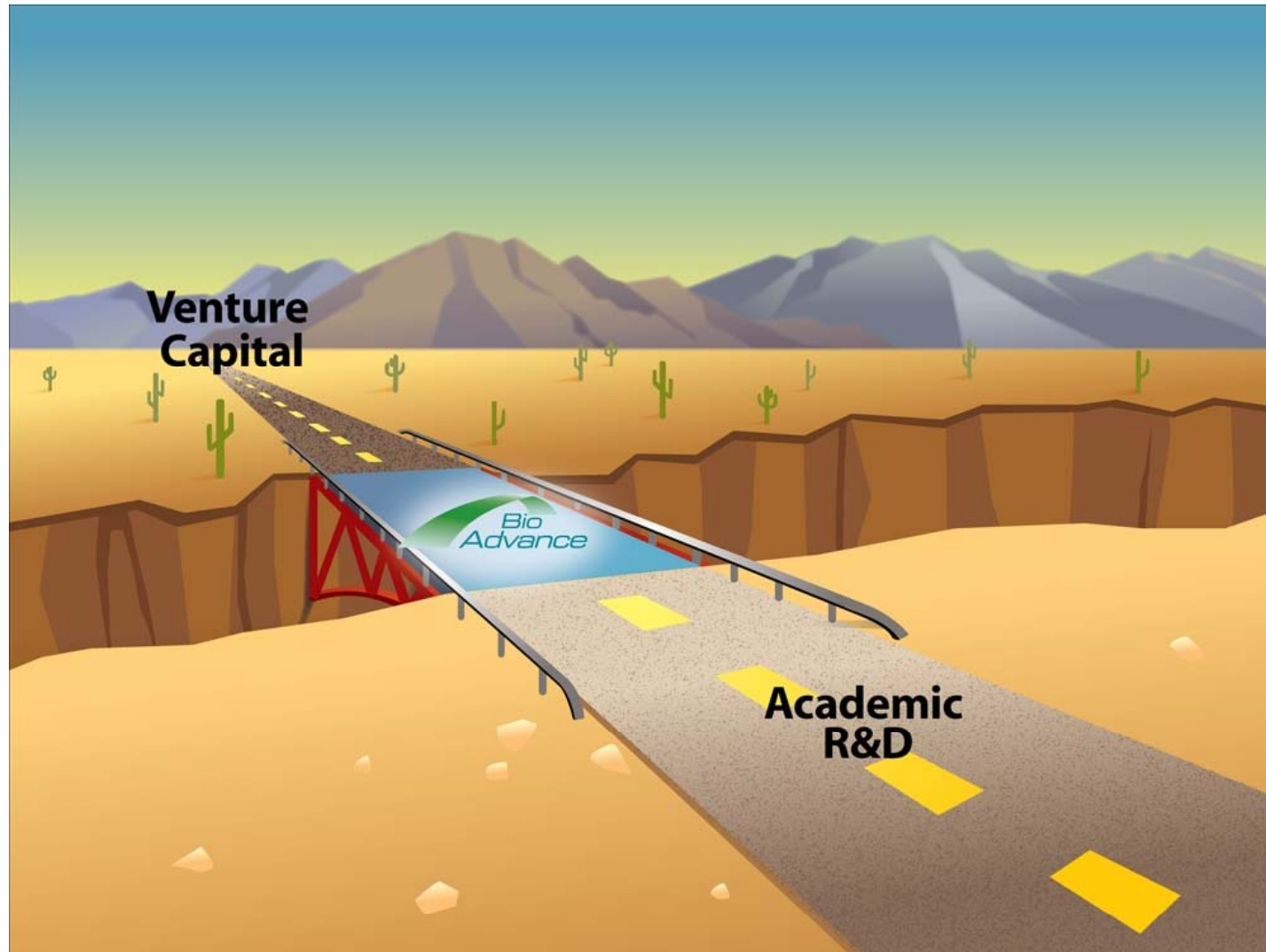
## Who We Are

|                         |  |
|-------------------------|--|
| <b>History:</b>         | <b>Established in 2002</b><br><b>– PA Tobacco Settlement</b> |
| <b>Fund Size:</b>       | <b>\$20M for investment</b>                                  |
| <b>Fund Model:</b>      | <b>Evergreen: returns recycled</b>                           |
| <b>Focus:</b>           | <b>Drugs, devices, diagnostics to improve human health</b>   |
|                         | <b>Investment Stage: Pre-seed and seed (before venture)</b>  |
| <b>Investment size:</b> | <b>\$5,000 – \$1,250,000</b>                                 |

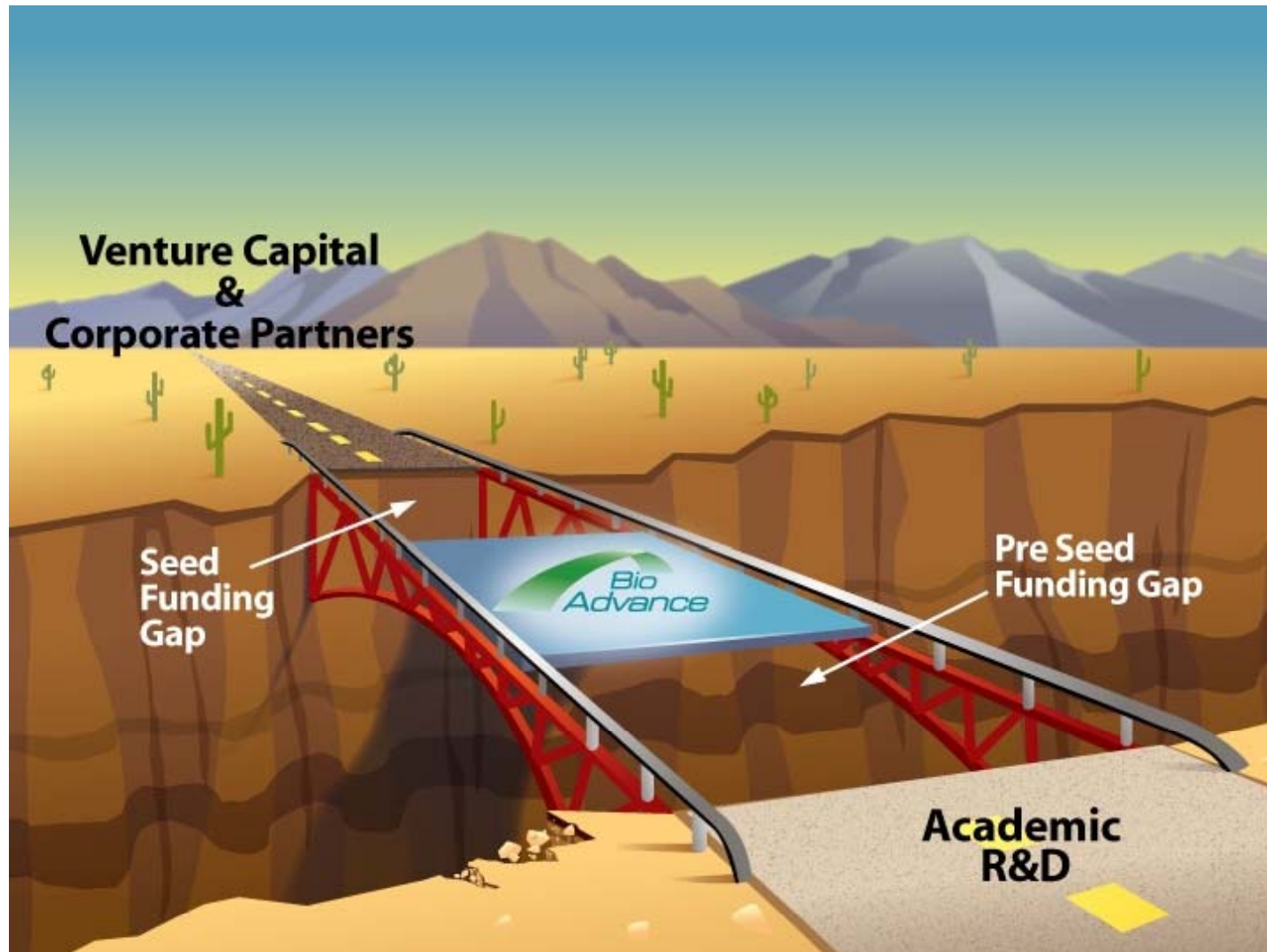
# The Funding Continuum



# Goal: Bridge to Somewhere



# Reality: Valley of Death



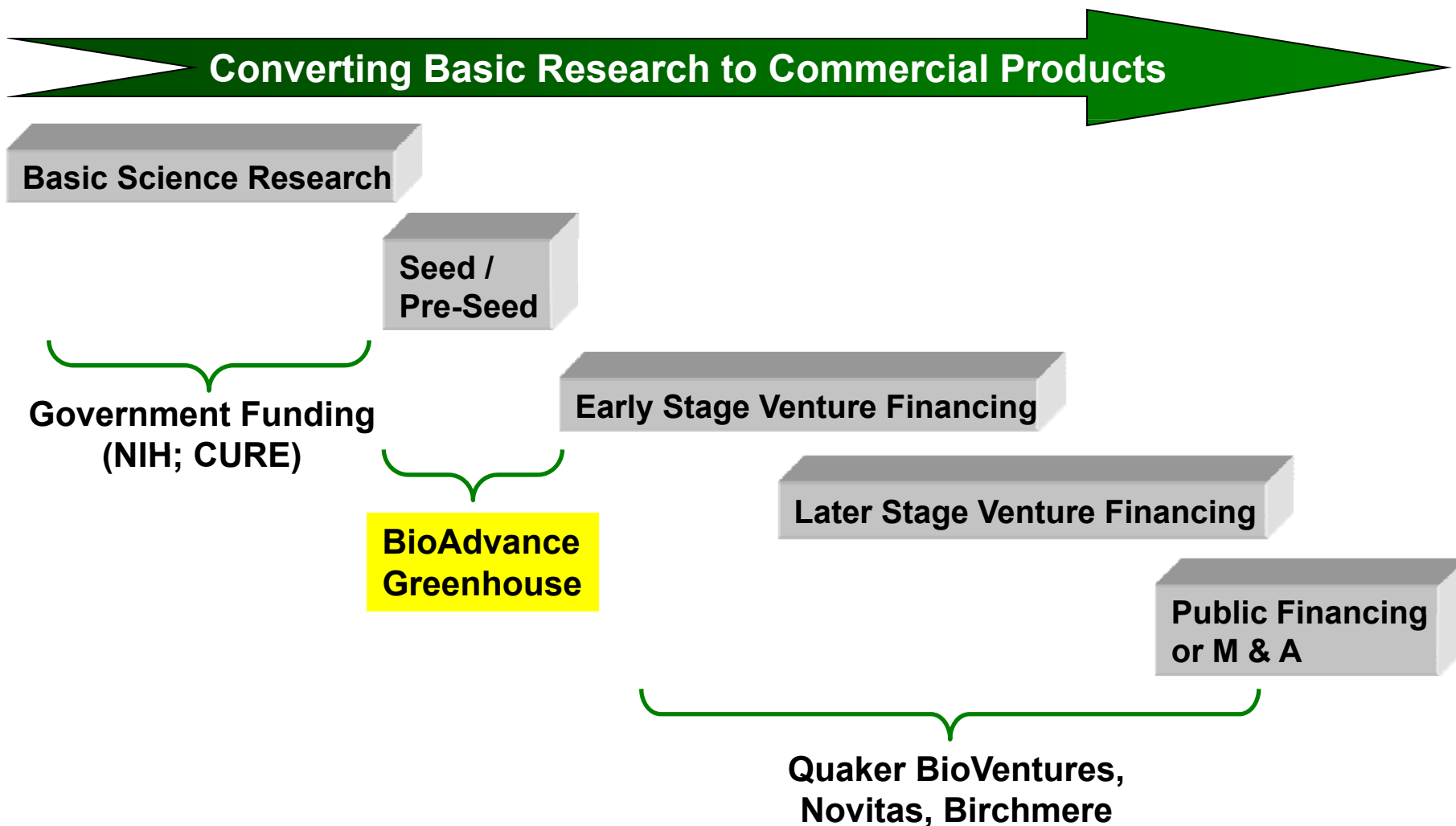
# Investment Strategy

- **Key decision drivers**
  - ♦ **Company is able to reach key milestone to obtain next stage of funding with BioAdvance funding + other resources available at this stage**
  - ♦ **The opportunity provides follow-on investors/partners with enough return to compensate for the risk**
- **Not every opportunity fits the landscape**
  - ♦ **Average of 4 seed financings each year**
- **We work backwards from the destination to figure out if you can get there from here**
  - ♦ **Every disease area and technology is different**
  - ♦ **We don't expect you to have all the answers**
  - ♦ **We will provide feedback on key challenges regarding funding decision**
  - ♦ **It's more art than science so it is subjective**

# Results to Date

- **\$18.0M invested**
  - ♦ 28 seed investments we should say how many just in last two years as they wouldn't have been expected to exit
  - ♦ 14 pre-seed investments
- **Competitive**
  - ♦ Significant demand - ~\$700M requested to date
  - ♦ Over 614 proposals
  - ♦ 5-10% selected for seed funding
- **Six exits**
- **\$1BM in total leverage to date**
  - ♦ >\$340M in subsequent capital raised by portfolio
  - ♦ >\$650M in acquisition value

# The Funding Continuum



# Common Pitfalls

- 1. Insufficient scientific / technical foundation**
- 2. Solution looking for problem**
- 3. Even if you can do what you say, no one will pay for it**
- 4. Development path is not feasible**
- 5. Commercial/business development strategy is not feasible**
- 6. Great idea, but you can't stop others from doing the same thing**
- 7. Management team shortfalls**
- 8. You can't get there from here ...**
- 9. The reward does not justify the risk**

# Pitfall 1

## Insufficient technical feasibility

Christopher J. Damm, M.D.  
Shahram Hejazi, Ph.D.  
Jeff Edelson, M.D.

# Technical Foundation

- **Scientific / Technical work is based on a sound hypothesis**
  - ◆ Begins with a review of the relevant literature
  - ◆ The synthesis/reasoning behind the hypothesis is convincing to peer reviewers
- **The hypothesis is testable using seed-stage funds**
- **Proving the hypothesis will attract follow-on funding**
  - ◆ Good proposals generate technical data that reduces risk, defines utility
  - ◆ We fund “early” projects, but not so early that they are “a bridge to nowhere”
  - ◆ Assessment will vary by therapeutic area

# Levels of Evidence - Therapeutics

| Stage of Development                            | Example   |
|---|---|
| Proof of mechanism                              | Binds to $\beta$ receptor   |
| Proof of principle<br>-- in vitro<br>-- in vivo | Relaxes smooth muscle in tissue bath                                      |
|   | Mean art pressure reduced in hypertensive mouse model                     |
| Proof of concept                                | Reduces BP in 4 week clinical study                                       |
| Proof of profile                                | QD dosing, no impotence, reduces cardiovascular mortality in 1 year study |

## Levels of Evidence – Devices

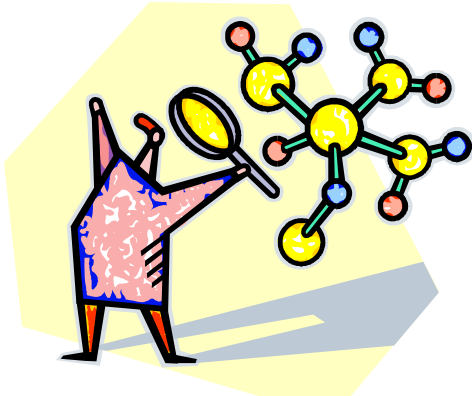
| Proof   | Evidence  | Example   |
|---|---|---|
| Technical feasibility   | This should be demonstrated by credible data.     | An in vitro diagnostic device; needs bench data demonstrating that technology works   |
| The technology can be reduced to a “product”                            | An “alpha” prototype within the scope of the plan | If the sensor requires a mass spectrometer to work, then it won't be for home testing |
| Clinical feasibility:<br>Can product work under “real world” conditions | In vitro/in vivo data needs to be achievable      | If need to do animal testing, does the animal model even exist?                       |

## Pitfall 2

Solution looking for problem  
or  
Wrong solution for right problem  
or  
Wrong problem to solve

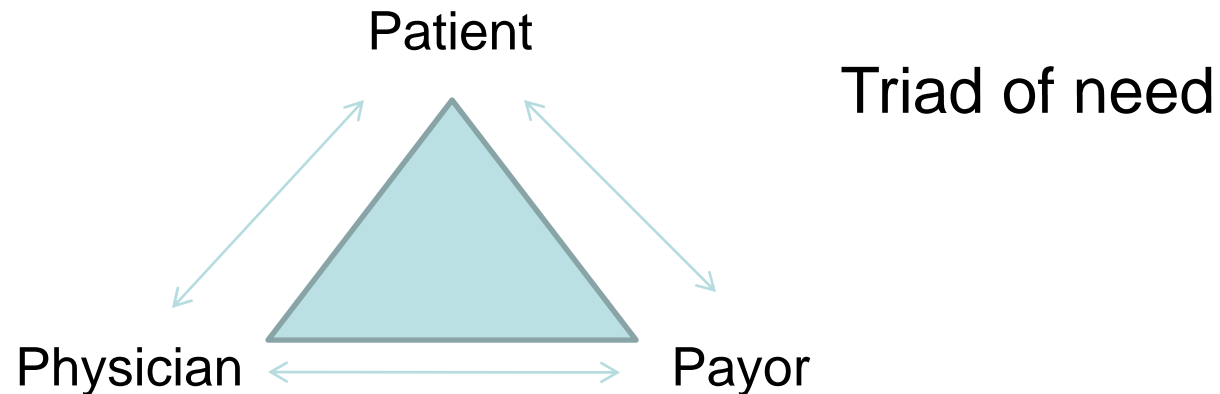
Marie A. Lindner, M.D.

# In search of the “killer app”



- **Some technologies ≠ product**
    - ♦ Just because it’s “cool” doesn’t mean you can make a product out of it that someone will want to use/pay for
  - **Platform technology:**
    - ♦ What product will your technology make?
    - ♦ Is it worth developing and selling?
    - ♦ Does your solution actually solve an important problem?
- Examples:
    - Nano particle drug delivery:
      - What is worth delivering at a nano range and will it be worth something if technically feasible?
    - Subcutaneous drug delivery device:
      - Are there drugs you can deliver in a small volume through a small needle that people will really pay for?
    - Combination drugs:
      - Why would physicians want to prescribe a fixed dose of your two drugs for their patients?
      - Convenience of reducing by just one pill doesn’t pay

# Unmet Medical Need: Finding the right problem to solve



- **Must solve a problem for one or more of the above**
- **Different points of pain for each group**
  - ◆ **Must convince physicians to prescribe and payors to pay**
  - ◆ **Problem solved for patient must be significant to both other groups**
- **Must be better, faster, cheaper than current treatment**

# Work backward: Knowing where you are going helps you get there

- **Once you figure out the right problem to solve with your technology, how do you know you can solve it?**
- **R&D activity focused on the *ultimate* goal is key**
  - ◆ **Medical need addressed with a *claim* or *indication for use***
  - ◆ ***Claims* and *IFU* come from clinical trial endpoints**
  - ◆ **Clinical plans are important to product seller (future acquirer)**



If you start with the bricks...without a plan...you end up with a wreck... instead of a well-built house

# No right drug/device for wrong indication

- **FDA's decision to approve a new drug/device for marketing boils down to two questions:**
  - ♦ **Do the results of adequate and well-controlled studies provide substantial evidence of effectiveness?**
  - ♦ **Do the results show the product is safe under the conditions of use in the proposed labeling?**
    - **Safe means that the benefits appear to outweigh the risks, and that those risks are predictable**
- **Once a drug/device is approved for marketing, a sponsor (or manufacturer) may promote the use for the approved indication**
- **After initial approval, if a sponsor wants to change how its product is manufactured or the indications for which it is approved, a sponsor must submit a supplement**
- **Third-party payers will reimburse for approved uses of drugs and devices**
- **A sponsor's ability to get its drug included in the HMO's formulary is significantly enhanced by approval**
- **The correct plan for the correct indication starts at phase I through proof of concept trials**

# Medical Need Examples



## Well defined solutions

- ◆ **Nupathe: Migraine treatment for patients with nausea** → patch providing fast, sustained dermal delivery of sumitriptan
- ◆ **Protez: Multi-drug resistant organisms** → antimicrobial agents
- ◆ **Formae: Osteoarthritis** → hydrogel cartilage replacements more like natural cartilage
- ◆ **Novira: HIV, HCV, other viruses** → Antiviral treatments with new mechanism of action
- ◆ **Treventis: Alzheimer's disease** → Disease-modifying treatments based on latest understanding of disease



## Poorly defined solutions

- ◆ **“Cure for” cancer, diabetes, etc.**
- ◆ **Tx for brain cancer** requiring surgery to place tx, when that type of cancer is treated with radiation tx
- ◆ **Diagnostic or screening tool** without therapeutic or known outcome of disease
- ◆ **New treatment for disease** in healthy people when adequate generics or OTCs available
- ◆ **Combination drugs** when there is no meaningful benefit over drugs used separately
- ◆ **Prodrug/active metabolite** without clinical or safety benefit

## Pitfall 3

Even if you do what you say you can,  
no one will pay for it

Marie A. Lindner, M.D.

# Will someone pay for your product even if you can make it?

- **You picked the right indication for your technology but you still need to develop it right**
  - ♦ Even if you pick the right development plan, it may cost more to develop it than it will be worth
  - ♦ If your product is a device or diagnosis, getting it approved may not be enough to get someone to pay for using it
  - ♦ If you develop it incorrectly, no one will want it either
- **Target Product Profile (TPP)**
  - ♦ Tool which sets the goal of your plan: to make a product that someone **WILL** pay for because it has the right attributes
  - ♦ Product development plan must deliver the attributes you seek
  - ♦ TPP defines claims which will be received and dictates available market
  - ♦ Identifies attributes needed for adoption and reimbursement

# Target Product Profile

- **Key elements**

- ♦ **Indication: specific definition of how and in whom product is used**
- ♦ **Efficacy statement: specific description of what product does and how well it must perform**
- ♦ **Form of dose/how supplied/device description: specific description of product attributes with regard to delivery, frequency, size of dose or specific description of device characteristics**
- ♦ **Outcomes: specific statement of benefits received in terms of efficacy, safety, quality of life, pharmacoeconomics**
- ♦ **Safety profile: safety parameters that are critical to meet or overcome**
- ♦ **Pricing/reimbursement characteristics: pricing parameters needed to be competitive**

# Target Product Profile Example: ITI-111

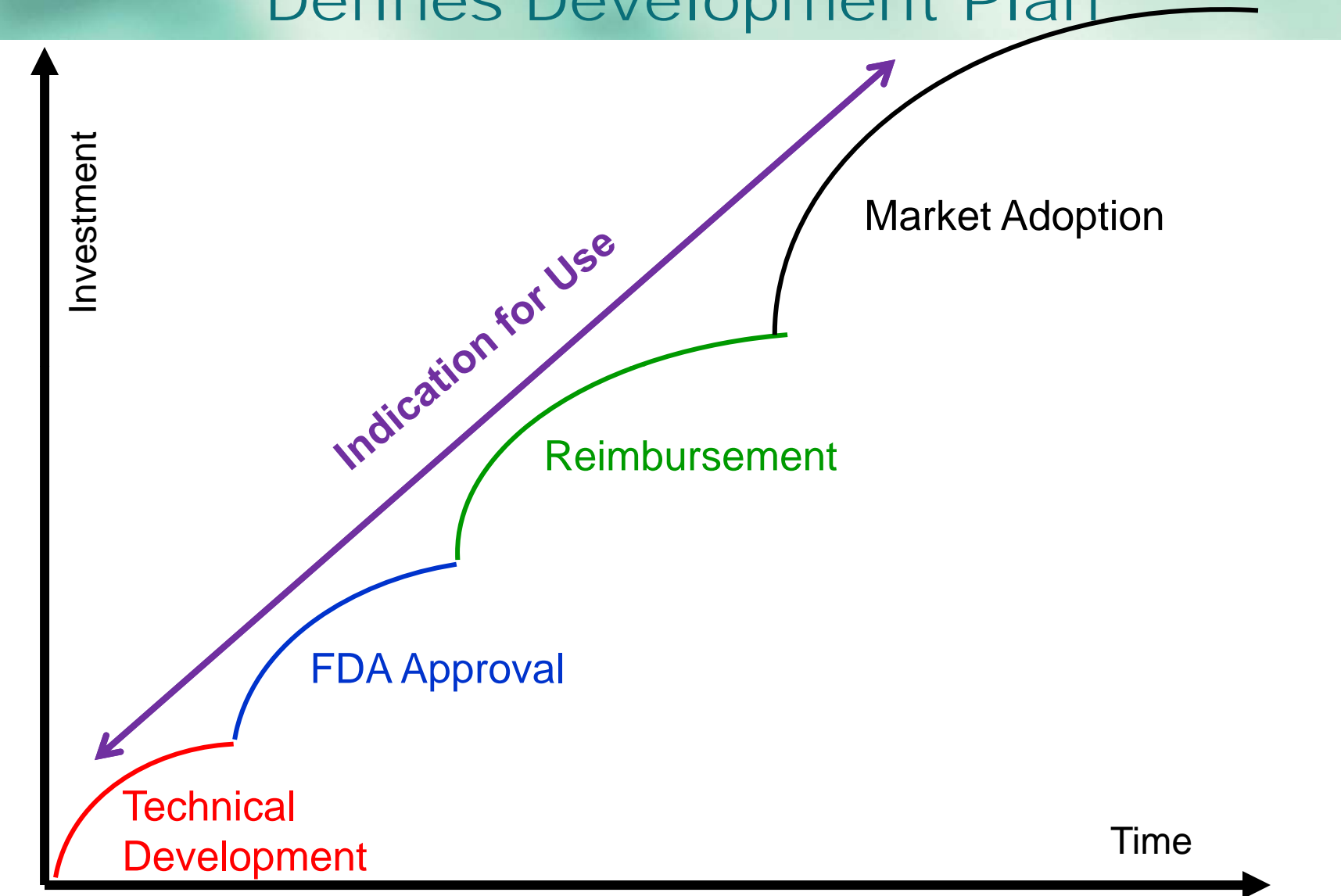
| Description                |   |
|----------------------------|---|
| <b>How Supplied</b>        | single-dose, disposable, nasal spray unit   |
| <b>Indication</b>          | For rescue treatment of seizures in patients with Epilepsy on stable regimens of AEDs who require control of intermittent bouts of increased seizure activity   |
| Efficacy                   |   |
| <b>Seizure Termination</b> | Seizure termination within 10 minutes after drug administration   |
| <b>Seizure Recurrence</b>  | No seizure recurrence during a follow-up period of six hours  |
| Safety / Side Effects      |   |
|                            | <5% of patients experience respiratory depression; short duration of sedation   |
| Outcomes                   |   |
|                            | <ul style="list-style-type: none"> <li>•Decreased severity of their post-ictal period (including less fatigue, muscle ache and pain) due to the shorter duration of their seizure</li> <li>•Quality of Life benefits: including a more positive attitude toward work, leisure and social activities and greater independence due to decreased anxiety over the inability to control their seizures</li> </ul> |

## Pitfall 4

### Development plan not feasible

Shahram Hejazi, Ph.D.  
Jeff Edelson, M.D.

# "Indication for Use" Drives Adoptions and Defines Development Plan



# Development plan must focus on achieving Key Value Drivers

- **Milestones the company needs to focus on**
- **The scope of work required**
  - **Technical proof-of-concept (must have)**
  - **Alpha & *in vitro* data**
  - **Beta animal efficacy**
  - **Human data**
  - **FDA Approval**

# Execution of the Development Plan

- **Does the company understand what it takes to execute the development plan?**
- **Can the company address all the needs such as technology, business, regulatory to achieve milestones?**
- **Do you have access to resources to augment your knowledge and experience (e.g. Partnerships)?**
- **How much money and time to get to each Key Value Driver (milestone)?**

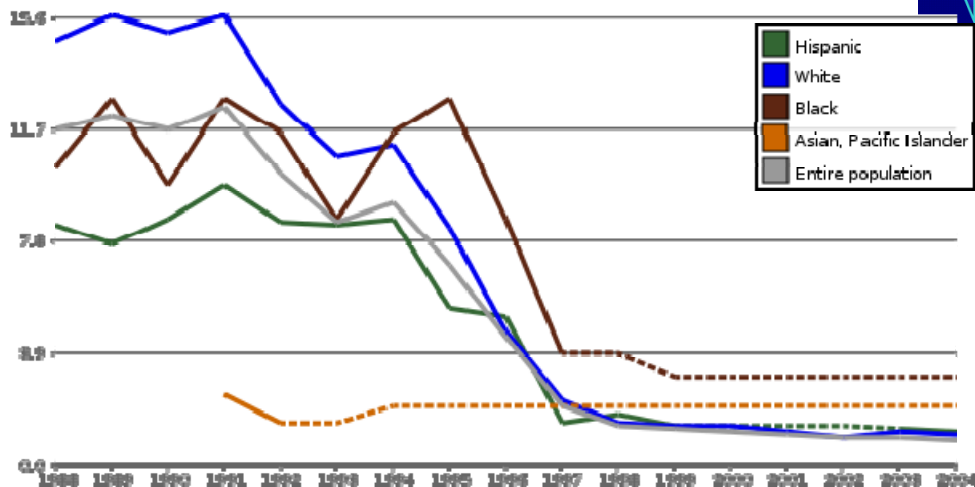
# Development Plan Feasibility

- **Tough study**
- **Regulatory miscue**
- **Big jump**

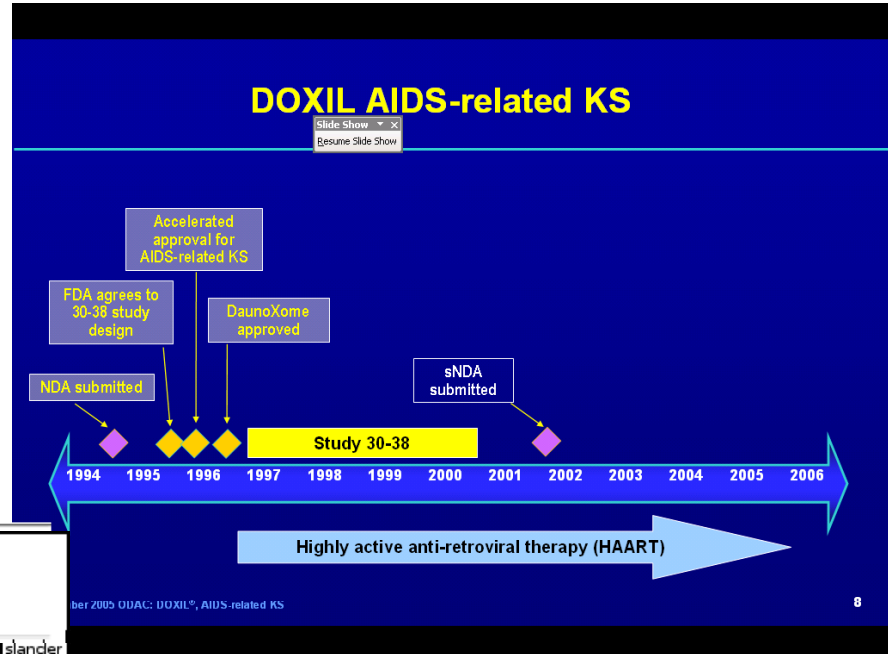
# DOXIL: Kaposi Sarcoma Confirmatory Study



[http://timothyministries.org/images/Kaposi\\_Sarcoma.jpg](http://timothyministries.org/images/Kaposi_Sarcoma.jpg)



[http://images.google.com/imgres?imgurl=http://www.openfindings.org/graphs/nccc/incidence2007/kaposis\\_sarcoma/year5.png&imgrefurl=http://www.openfindings.org/blog/id/4/&usq=\\_\\_rgcCdBoA\\_0ydkZDiaySQ4JUK7c=&h=300&w=600&sz=37&hl=en&start=15&sig2=KU2YBpnVnSKsK\\_Ud8l9z2Q&tbnid=cALuN\\_\\_pjj7u4M:&tbnh=68&tbnw=135&prev=/images%3Fq%3Dkaposi%2Bsarcoma%2Bincidence%26gbv%3D2%26hl%3Den&ei=fAUXSvSDL5zflQewo9nUCw](http://images.google.com/imgres?imgurl=http://www.openfindings.org/graphs/nccc/incidence2007/kaposis_sarcoma/year5.png&imgrefurl=http://www.openfindings.org/blog/id/4/&usq=__rgcCdBoA_0ydkZDiaySQ4JUK7c=&h=300&w=600&sz=37&hl=en&start=15&sig2=KU2YBpnVnSKsK_Ud8l9z2Q&tbnid=cALuN__pjj7u4M:&tbnh=68&tbnw=135&prev=/images%3Fq%3Dkaposi%2Bsarcoma%2Bincidence%26gbv%3D2%26hl%3Den&ei=fAUXSvSDL5zflQewo9nUCw)

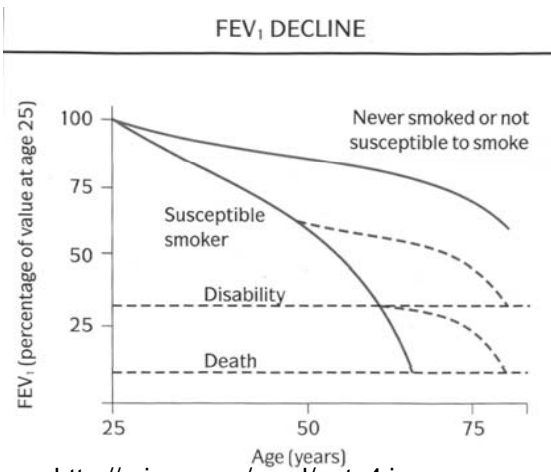


[http://www.fda.gov/OHRMS/DOCKETS/AC/05/slides/2005-4191S1\\_04\\_01-Johnson-Johnson.ppt#763,8,DOXIL\\_AIDS-related\\_KS](http://www.fda.gov/OHRMS/DOCKETS/AC/05/slides/2005-4191S1_04_01-Johnson-Johnson.ppt#763,8,DOXIL_AIDS-related_KS)

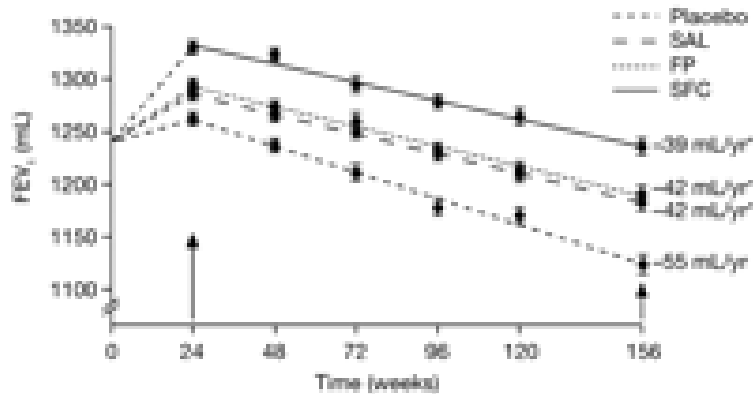
# Midazolam Nasal Spray: Regulatory Strategy

- **Versed approval:**
    - ◆ Roche
    - ◆ 1985
  - **IV is de facto standard for 2<sup>nd</sup> line treatment of status epilepticus**
  - **Nasal delivery system provides good bioequivalence, PK, PD**
  - **Only product approved in this space is a rectal gel**
  - **Therefore a 505(b)2 approach is feasible**
- BUT-**
- **Midazolam has never been approved for seizure treatment in any jurisdiction**
  - **Intermediate cost with high probability POS**
  - **Active P3 program at Ikano Therapeutics Inc.**

# COPD Disease Modifier



<http://priory.com/cmof/peto4.jpg>



| No. of patients | 1201 | 1248 | 1228 | 1049 | 979  | 900  | 879 |
|-----------------|------|------|------|------|------|------|-----|
| Placebo         | 1201 | 1248 | 1228 | 1049 | 979  | 900  | 879 |
| SAL             | 1234 | 1217 | 1218 | 1127 | 1084 | 1012 | 934 |
| FP              | 1256 | 1248 | 1220 | 1157 | 1078 | 1006 | 908 |
| SFC             | 1282 | 1275 | 1281 | 1180 | 1138 | 1073 | 975 |

- **Big, expensive studies**
- **Methodology and operationally complex**
- **No good surrogate for disease progression**
- **Difficult to support without shorter term clinical benefit**

American Journal of Respiratory and Critical Care Medicine Vol 178, pp. 332-338, (2008)

BioAdvance

## Pitfall 5

# Commercial/business development strategy isn't feasible

Christopher J. Damm, M.D.

# Commercial Strategy

- **Defines how your product will make money**
  - ♦ **Who buys it**
    - ... not just who uses it
  - ♦ **Who sells it**
  - ♦ **Cost of sales**
- **New companies use both established and novel commercial strategies**
  - ♦ **Established strategies require less elaboration**
  - ♦ **Novel strategies can represent a pivotal source of risk**

## Why Important?

- **A clear description makes the company look less risky / more credible**
- **Primary input for valuation**
- **Commercial strategy influences exit strategy**
  - ◆ **Firms acquire products that match an existing or desired commercial strategy**
  - ◆ **Products that improve the firm's strategic position can command a premium price**
  - ◆ **Barring an acquisition, some commercial strategies require an IPO**

# Objections

- **“If we meet a need, the customers will be there”**  
... ignores the inevitable barriers to entering markets
- **“We are exiting to a partner who will take care of the commercial strategy ...”**  
... does not recognize that acquisitions are based on commercial strategy

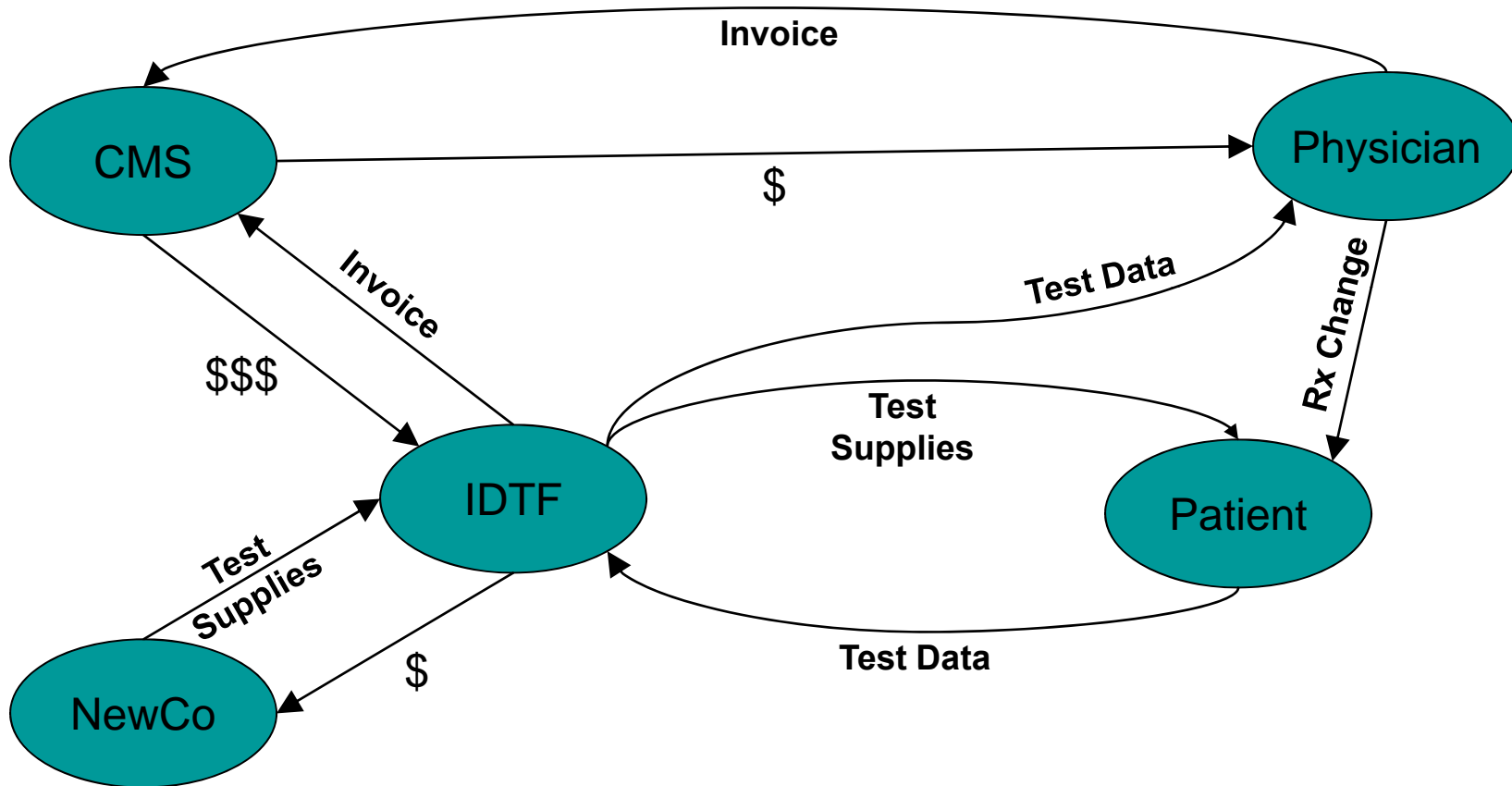
# Established Commercial Strategies

- **“Build the product, and they will come”**
  - ◆ Not unreasonable in the context of an established commercial strategy and well-defined unmet needs
  - ◆ Response to promotion is easy to envision / estimate
- **Example**
  - A new disease modifying drug for Alzheimer’s Disease**
  - ◆ Requires a primary care sales force
  - ◆ Established customers and metrics
  - ◆ Best exit - Trade sale to a major pharmaceutical company

# Novel Commercial Strategies

- **“Build *the market*, or they will *never come*”**
  - ♦ Concrete identification of customers in terms of point-of-sale
  - ♦ Potential revenues from customers
  - ♦ Selling costs – via analogues / competition
- **Example**
  - A new vascular access device for dialysis patients**
  - ♦ Unmet need: with current technology, dialysis grafts clog
  - ♦ Target customer: general / vascular surgeons
  - ♦ Reimbursement, market concentration will be a critical determinants of success

# Example: Coagulation Testing



# Coagulation Testing

- **Should the company sell the device or the service?**
  - ◆ What is the resulting point-of-sale?
  - ◆ Who will pay?
  - ◆ What are the barriers to entry for each strategy?
  
- **How should the company price the offering?**
  - ◆ What dollar value?
  - ◆ Should the device and consumables be sold separately?
  - ◆ Subscription?
  - ◆ Risk sharing?

## Pitfall 6

Great idea, but you can't stop others  
from doing the same thing

Barbara S. Schilberg, J.D.  
Marie A. Lindner, M.D.

# Do you have robust intellectual property?



**Company needs to own IP or have option/license in place**

- ◆ Rights should be exclusive

**IP should be provide competitive advantage (“strong, high fence”)**

- ◆ US and key international markets
- ◆ Sufficient patent life
- ◆ Claims are robust and appropriate for product
  - Composition claims are critical for therapeutic agents
  - Business method patents are not useful outside US
  - Target/tool patents low value because difficult to enforce

■ **IP should be sound**

- ◆ Patentability (novel; inventive; useful?)
- ◆ Freedom to operate



# Licensing Terms

- **Get the right kind of help with your license!**
- **License or option to patent rights and know-how**
  - ◆ **Terms must be favorable to company for investors and acquirers to accept**
    - Terms according to value of patent (tool patents don't add value because difficulty in enforcement)
    - Upfront cash payments and milestones should be reduced to enhance your ability to use your cash to answer key questions
    - Exclusivity
  - ◆ **Royalties to licensors come out of investors and founders' pocket**
    - Royalty stacking provisions: get licensors to reduce their royalty if you have to pay more than one
    - Typical need for antibody and protein manufacturing

# Pitfall 7

## Management team shortfall

Shahram Hejazi, Ph.D.

# Management Team

- **Do they have the right domain knowledge?**
  - Industry specific
  - Regulated industry
- **Do they have the operating experience?**
  - R&D, operations, business development, etc.
  - Early stage experience
- **Can they operate a virtual team?**
  - Hire and motivate the right people
- **Do they have a history of success?**

# What We Look For-Intangibles

- **Ability to listen and collaborate**
- **Creative**
- **Able to deal with adversity**
- **Know your strengths and weaknesses**
- **Ability to delegate**
- **Mutual respect**

## Common Issues

- **The management is a family team**
- **The company hires a CFO**
- **The wrong people for the stage of the company; e.g. sales & marketing professionals founding a drug discovery company**
- **Scientist partners with wrong business person**
- **The company is a hobby for the founder**
- **Addiction to the founder's comfort zone**

# We can help to strengthen your team

- **It's better to have no team than the wrong team**
- **We can help you with**
  - ◆ **Business experts**
  - ◆ **Boards (Advisory and Directors)**
  - ◆ **Attorneys (corporate and patents)**
  - ◆ **Access to other experts: regulatory, clinical, marketing, business development, etc.**
  - ◆ **BioAdvance Talent Database**

# Pitfall 8

You can't get there from here ...

Christopher J. Damm, M.D.

# Milestones and Funding

- **How to get there?**
  - ♦ Break the project into milestones that either add value or reduce risk
  - ♦ Match each milestone with a funding source
  - ♦ Match milestones to earliest, most likely exits
  - ♦ This process can be optimized ...
- **We cannot build a bridge to nowhere**
  - ♦ Completing the seed stage syndicate is our immediate concern
  - ♦ BioAdvance will not fund a company that is unlikely to get Series A funding or a corporate partner
  - ♦ Some early milestones can attract funding

# Milestones and Funding

- **Problems – the market is imperfect**
  - ♦ *At each stage*, projects must generate returns that investors require
  - ♦ Therapeutic areas fall in and out of fashion
  - ♦ IPO markets open and close
  - ♦ Company strategy and pipelines change
- **Result – even good projects may be hard to match to funders / exits**
- **Attractive early milestones**
  - ♦ Predictive animal models
  - ♦ Preclinical exit opportunities
  - ♦ Interest from Series A funders

# Examples

- **Oncology is difficult ...**
  - ♦ Late clinical signal means that early milestones do not reduce risk
  - ♦ Exit markets require phase II data
  - ♦ Funders react accordingly ...
- **Platforms that are not easily validated at preclinical stages**

# BioAdvance Support

- **BioAdvance will help companies define milestones during the application process**
- **Review panel of Series A investors**
- **Syndication**
  - ◆ **Seed Funders**
  - ◆ **Angels**
  - ◆ **Venture Capital**
- **Business Development**
  - ◆ **Market test with corporate partners**

# Pitfall 9

## Unattractive Risk to Reward Ratio

Hal Broderson, M.D.

## Sources of Risk

- **Finance Risk – Bridge to nowhere?**
- **Technical Risk – Can it be done?**
- **Business Risk – Feasible business?**
- **Regulatory – Is it thought thorough and doable?**
- **Management – Proper skills?**
- **Intellectual Property – Can you own it?**
- **Market Risk – What is the unmet need and how big is it?**
- **Reimbursement Risk – Will someone pay for it?**

# Necessary Rewards

- **Investors invest for one reason—to make money**
- **What is an adequate return on investment?**
  - ♦ **LPs require 15-25% annual returns on a *portfolio* of companies but....**
  - ♦ **Winners pay for losers**

# Exit Multiples

To yield 40% annualized return

|           |   | Company Failure Rate |      |      |      |
|-----------|---|----------------------|------|------|------|
|           |   | 0%                   | 15%  | 30%  | 45%  |
| Exit Year | 1 | 1.4                  | 1.6  | 2.0  | 2.5  |
|           | 2 | 2.0                  | 2.3  | 2.8  | 3.6  |
|           | 3 | 2.7                  | 3.2  | 3.9  | 5.0  |
|           | 4 | 3.8                  | 4.5  | 5.5  | 7.0  |
|           | 5 | 5.4                  | 6.3  | 7.7  | 9.8  |
|           | 6 | 7.5                  | 8.9  | 10.8 | 13.7 |
|           | 7 | 10.5                 | 12.4 | 15.1 | 19.2 |

# Examples

| Type  | Therapeutic                | Device      |
|---|----------------------------|-------------|
| Exit milestone                              | End of Phase IIa           | PMA         |
| Years to exit                               | 4-5                        | 4-5         |
| Cost to exit                                | \$40-50MM                  | \$20-30MM   |
| Required multiple                           | 8x                         | 8x          |
| Calculated exit requirement                 | \$320-400MM                | \$160-240MM |
| Acquisition value<br>(based on market size) | \$200MM<br>(up front only) | \$75-100MM  |



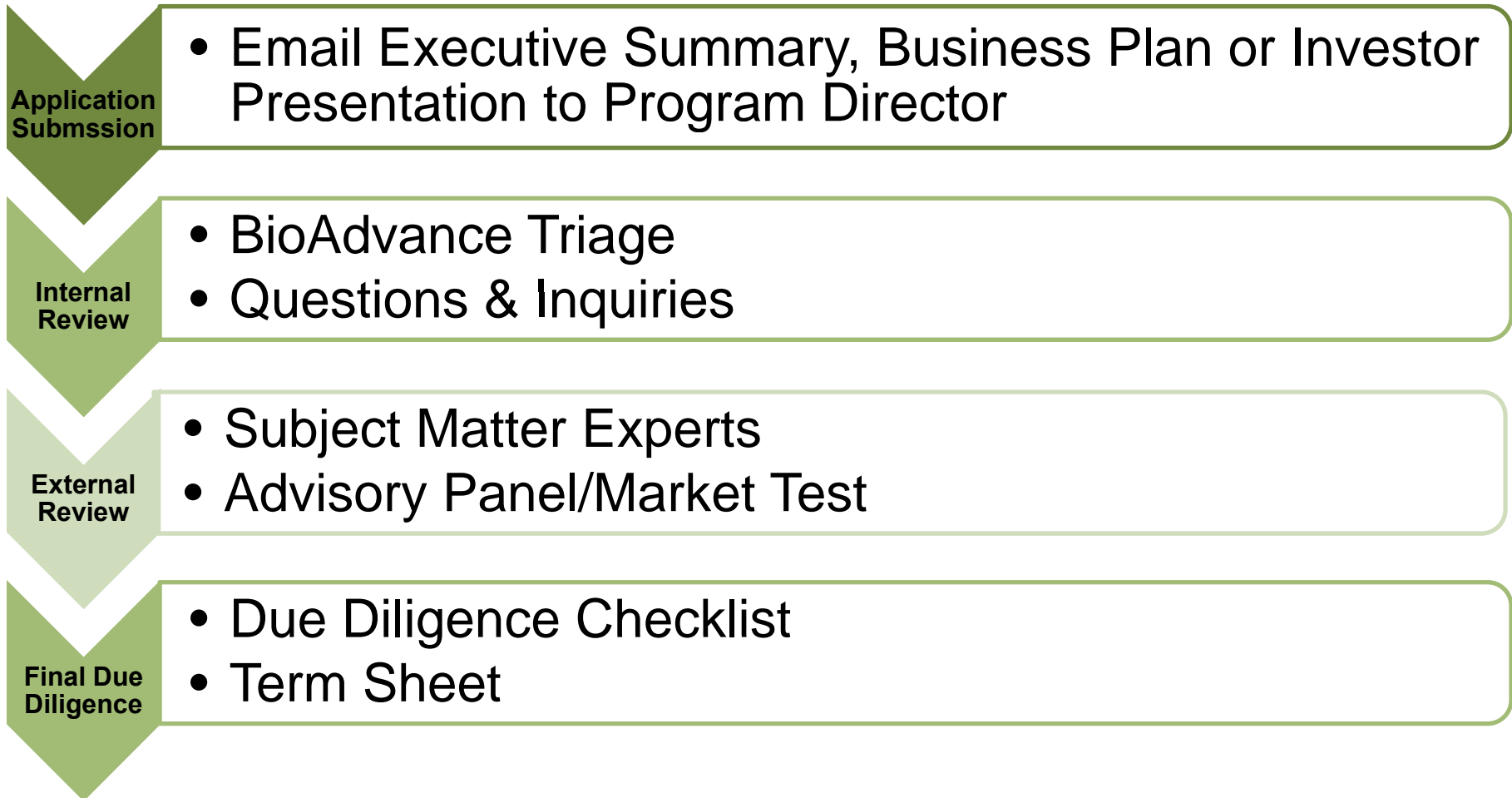
The risks must match  
the expected reward




# Application Process

Marnie McCoy

# BioAdvance Process



# Type of BioAdvance Investment

- 
- **Pilot Investment**
    - ◆ **Amount: Up to \$50,000**
    - ◆ **Goal: Answer Critical Question for Seed Investment**
      - Market Assessment
      - Freedom-to-operate analysis
      - Pre-clinical testing
    - ◆ **27% of Pilot Investments have rolled into Seed Investments**
  - **Seed Investment**
    - ◆ **Initial Investment of up to \$500k (\$1.2M over life of project)**
    - ◆ **Goal: Meaningful Milestone**

BioAdvance may recommend Pilot Investment at any stage of its review.

# Registration/Application

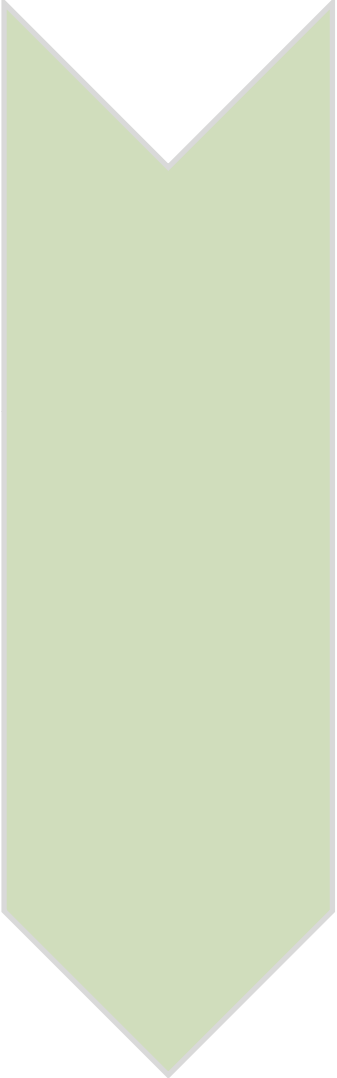
- **Email business plan, executive summary, investor presentation to Program Director.**
- **Elements of Opportunity BioAdvance will review:**
  - ◆ **Technical Plan**
  - ◆ **Commercial Opportunity**
  - ◆ **Intellectual Property & Licenses**
  - ◆ **Management Team**
  - ◆ **Financials and Budget**

# Internal Review

- **BioAdvance Triage**
  - ◆ **Program Meeting Review**
  - ◆ **Assign Team Lead**
- **Questions & Queries**

BioAdvance may invite company to present opportunity during this stage of review.

# External Review

- 
- **Subject Matter Experts**
    - ◆ **Scientific**
    - ◆ **Intellectual Property**
    - ◆ **Regulatory**
    - ◆ **Market**
    - ◆ **Reimbursement**
  - **Venture Path → VC Advisory Panel**
  - **Alternate Path → Corporate Partner**

# Corporate Due Diligence

- **Due Diligence Checklist**
  - ◆ **Review Corporate Documents**
  - ◆ **Contracts**
  - ◆ **Background Checks**
- **Term Sheet**
  - ◆ **Convertible Promissory Note**
  - ◆ **Default Valuation**
  - ◆ **Discount Factor**

# Timeline to Funding



**Better  
Information  
Provided**

**=**

**The Less Time  
We Take**

# Questions ???

## Contact:

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