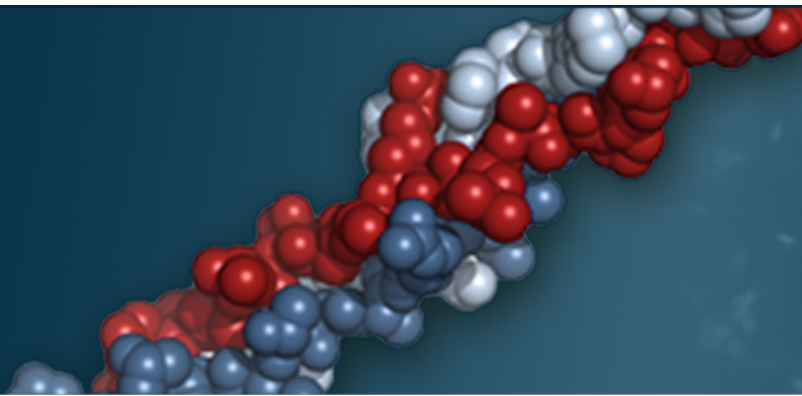




Pioneering regenerative cell-based therapies  
and devices to treat serious illnesses



## TNC Panel Discussion

### Harnessing the Power of Cells

November 08

*Steve Bollinger*



- **Building the “Pitch”**
- **Fund Raising “Basics”**



## Today's Goal

- **What do “investors” want to know**
- **Sample presentation**
- **Optimizing the “story tools”**

# Story Skeleton(s): Custom fit to your Company



- **Introduction/Mission**
  - **Market**
  - **Product**
  - **Technology**
  - **Team**
  - **Competition**
  - **Business Model**
  - **IP**
  - **Financial Projections**
  - **Funding Deliverables**
  - **What you are looking for**
  - **Why they should invest**
- **Problem to be Solved**
    - prove there is a definite customer **need**
  - **Your Solution**
    - **don't get too detailed**, tell us about it in one slide
  - **Your Team**
    - key employees and advisors and their applicable industry background
  - **Market Opportunity**
    - **size, growth**, characteristics of your market
  - **Current competitive market**
    - who are the competitors and what is your advantage
  - **Market Strategy**
    - what sales channels and partnerships will you have
  - **Current Status**
    - **state of product**, current customers, partners, etc.
  - **Critical Risks**
    - **what can go wrong and how will you manage**
  - **Financials**
    - 5 year financial projections, what will it take to get to positive cash flow
  - **Funding Requirements**
    - funds needed, **structure of deal, valuation, use of funds**



- **After you have covered all the topics**
  - Building in the “So What”
- **“Work harden” every slide**
  - So What?
  - What am I communicating?
  - Why is this important?
  - Is this message needed or confusing?
  - What audience are you addressing?
  - Can this slide stand on its own?



- **Building the Pitch**
  - What do investors want to know
  - Sample presentation
  - Optimizing the story tools



# Highlight a presentation



- **Building the Pitch**
  - What do investors want to know
  - Sample presentation
  - Optimizing the story tools





- **Presentation is your roadmap**
- **Do not get lost on images**
  - Use images to support story if complex
- **Understand audience prior to meeting**
  - Adjust to profile of the audience majority
- **Use your own presentation, not someone else's**
- **Build in flexibility**
  - Listen and adapt during presentation
- **Do not oversell, Listen, Observe, and Acknowledge**
- **Build confidence**
  - In the end, they are investing in you



- **Risk Assessment Template**

- Business Model Risk
- Capital Structure Risk
- Customer Acceptance Risk
- Market Dynamics Risk
- Technology Risk
- Venture Management Risk

# Why they should invest? RAP (Risk Adjusted Profile)



- **Business Model Risk – Low**
  - Vascular first to MKT, → Strong non-vascular markets (Inflammation, Cancer, etc...)
  - Strong profit potential and viable returns.
  - Capital requirements now understood to marketable technology
- **Capital Structure Risk – Low**
  - Clear capital structure with efficient spend w/respect to exit strategy
- **Customer Acceptance Risk – Low**
  - Strong need in vascular indication with end user hunger for a solution both open and minimally invasive
- **Market Dynamics Risk – Growing, large, and unmet need**
  - Size and segment growth in vascular consistent and growing.
  - Competition focused on ablative versus instructive (single/multi-factorial delivery)
- **Technology Risk- Low**
  - Unique opportunity with strong IP
  - Phase II studies demonstrated safety and signal of efficacy
  - Strong Competitive advantage that platforms into multiple opportunities
  - Truly disruptive technology that has track record on FDA, shelf-life, and manufacturability
- **Venture Management Risk- Low**
  - Strong team
  - Strong BOD
  - United view of Company in long and short term goals



- **Building the Pitch**
  - What do investors want to know
  - Sample presentation
  - Optimizing the story tools
- **Fund Raising Basics**
  - Choosing your audience
  - Initiating contact
  - The investor
    - Grading investor
  - Managing from the Pitch
    - Momentum
    - Champions
    - Chemistry



- **Investor options (Builders/Traders)**

- Angel (Faith investors)
- Early Stage VC
- Mid Stage VC
- Mezzanine VC
- Hedge Funds
- IPO
- Acquisition



*7 Conventional Options*

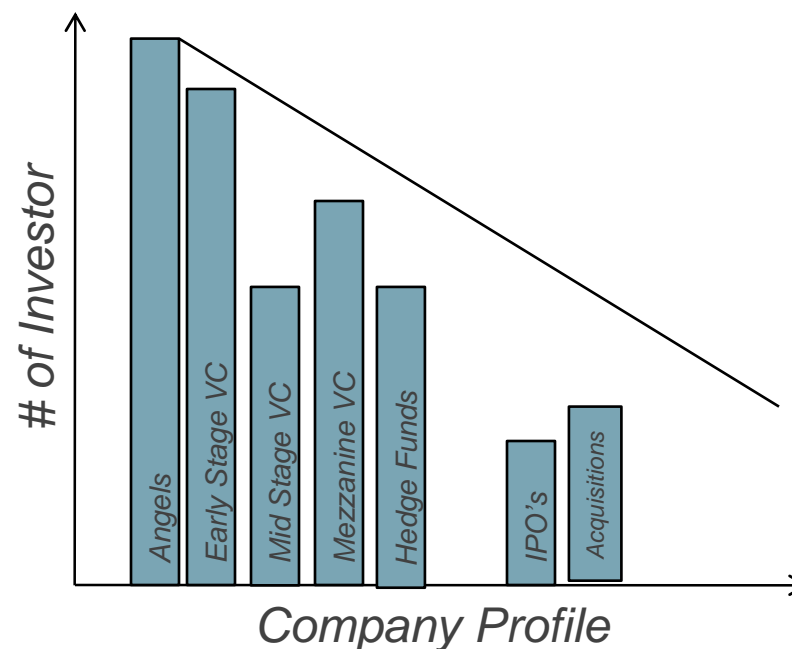
A large right-facing curly bracket groups the seven funding options listed on the left. The text "7 Conventional Options" is positioned to the right of the bracket.

# Where do you fit?



- **Investor options (Builders/Traders)**

- Angel (Faith investors)
- Early Stage VC
- Mid Stage VC
- Mezzanine VC
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- **Building the Pitch**
  - What do investors want to know
  - Sample presentation
  - Optimizing the story tools
- **Fund Raising Basics**
  - Choosing your audience
  - Initiating contact
  - The investor
    - Grading investor
  - Managing from the Pitch
    - Momentum
    - Champions
    - Chemistry



- **Networking is always the best**
- **Research and identify your target investor**
- **Use all your resources**
- **Events that targets attend**
- **Reach out through targets existing portfolio**
- **Be creative**
- **Investment bankers can help**
- **Cold calling, if no other option**





- **Identify existing portfolio of “Target” Investor**
  - Stage of investments
  - Level of interaction expected
  - Value added support
  - What is their portfolio expectations
  - Expertise
- **Will they be value added**
  - Internal expertise to your specific need
- **Chemistry with investor POC**
- **Balancing valuation with value added**
- Be open minded, you may never know why they say **“YES”**

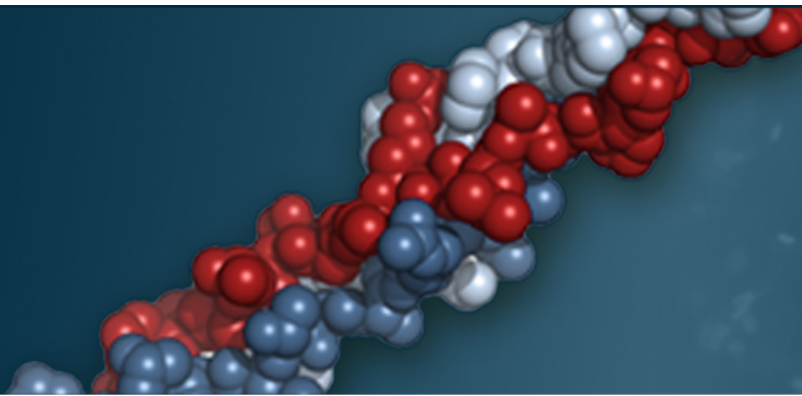


- **Momentum**
  - Never let it stop, even if “no”
  - Be courteous
- **Build internal champions**
  - Not always the lead contact
  - This relationship could be your next lead
- **Chemistry**
  - Look for a common interest/ thread
- **If it was easy, everyone would be doing it**





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- **Investor Activities of Pharma/Bio/Devices in today's economy**

- IPO
- Acquisition in 2008
- Hedge Funds
- Mezzanine VC
- Mid Stage VC
- Early Stage VC
- Angel (Faith investors)

