



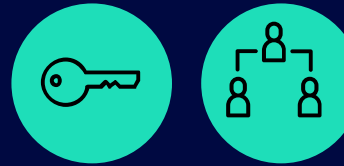
Private Sector Funding

8th October 2021

Sarah Bruce-White- Partnerships & Programmes Lead- MedCity



Landing Pad
Providing a front door & concierge service to the UK life science ecosystem



Brokering & Advocacy
Connecting research & deal partners. Advising regulators & Government bodies

Investment Hub
Growing the investor community & helping entrepreneurs raise finance



DRIVING INVESTMENT

Collaborate to Innovate
Funding SMEs to find the right research partner for innovation development



Advanced Therapies Network
A community bringing together cell & gene therapy across industry, academia & the NHS



SUPERCHARGING INNOVATION & CREATING JOBS

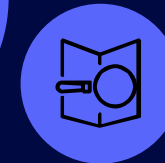


DEVELOPING THE RIGHT INFRASTRUCTURE



Planning
Specialist consulting on developing the right space for life science business

Digital Health London Accelerator
Intensive development & fast-tracking, focused on NHS adoption and scale



Locating
Advising on the right lab, office location & space for all business stages

Diagnostic Growth Hub
A MedCity initiative, uniting world-leading institutions to fast-track diagnostic development



SUPPORTING UK BUSINESS EXPANSION

International Engagement & Export Development
Building international relationships & facilitating international exposure for UK life science innovators



Convening
Connecting academia, industry, healthcare system to resolve system challenges and simplify complexity

MedCity Investment Hub

Introduction

- **Grew from MedCity Angels**
- **A network of over 450 Investors** spanning Angels, Family offices, VC's, mainly within the UK and some European investors
- **Here to help innovative life sciences companies attract funding** through showcase events and engaging with our investor community
- **We do not have a fund to invest ourselves (partnership SPEX capital)** and take no responsibility for the due diligence process for investors or for guaranteeing a successful raise for any company through our events
- **Over the last 6 years 82 companies have presented or been assisted by the programme**, conservatively over £30M has been leveraged from the rounds and £6.5M of that from our members

MedCity Investment Hub -

Don't underestimate the challenges.... Be Prepared but also Prepare for rejections – Not an easy journey , particularly at the early stage despite some of the sums you see have been raised in the press

- **Raising finance can be hard, take up a great deal of founder and CEO time and often longer than you expect- can take up to 9 months and make sure you do it ahead of time/ don't look desperate.**
- **Plan / Prepare and make sure you present investors with the Investable opportunity- i.e what's in it for them, how and when will they make money and how much ? But be flexible with valuations particularly if not revenue generating/ very early stage. It's not an exact science**
- **If can find a lead investor often makes closing a round much easier. Mentioning/ demonstrating this traction also helps..... Credibility and FOMO!**

Insights- What Angel investors look for- Generalist overview- early stage investing

- 1- **A Great Founding Team**- Inspiring confidence, committed (working full time on the business), able to grow & build a business, successful exit (Co-founders maybe more attractive than single)
- 2- **Scalability** – How will the investors see their 10 x return – how quickly can the business scale and is there scope to do so ? Market opportunity, competition, timing ? Is there a sensible, viable strategy for exit?
- 3- **Competitive Edge**- How do you stand out from the competition, how will you commercialise ? Have you shown traction. Could be Sales, pilot's, trials, partnerships. Is the IP protected, first mover advantages.
- 4- **Investment vehicles**- do you qualify for EIS/ SEIS. At this early stage have there been any grants.... Anything that helps de-risking, to fund that initial R&D and build evidence generation. Part of an accelerator ?

Toolkit- attracting investors

1. It's a **Sales Campaign** but to **Investors** (not selling to other academics/ the NHS) demonstrate the investible opportunity
2. Attract investors- you need to grab attention- **Finale up front**
3. **Professional and personal networks** - direct contact, pitch events, warm introductions through networks (think elevator pitch). Where to find investors- UKBAA member directory , BVCA handbook,
4. Investment Deck.... **Make the right impression** - can you get the deck professionally designed, practice the pitch to colleagues, friendly investors
5. **Make sure the financials stack up**. Realistic projections, evidence claims. Breakeven point, profitability, cashflow
6. Angels will do their due diligence- get a Data room/ drop box, make sure what they need to see is in there

Do research before approaching and personalise each approach

Elevator Pitch

- What is the problem you're solving and why is it important ?
- Convey the traction - investable opportunity

An Angel Investor will....

- Ask a lot of questions
- Focus on the downside
- Meet up post initial meeting and look to form syndicate:
 - Investment terms
 - DD areas / contacts
 - Spokesperson / lead angel
- Spend a lot of time assessing each deal
- Discuss the opportunity with friends
- Carry out their own due diligence

Common pitfalls

- Lack of clarity around regulatory challenges, current position and overall timeline.
- No easily identifiable route to market
 - ⇒ Commercialisation of the concept will be in the back of every investor's mind
 - ⇒ Expect cynicism around NHS's long sales cycles for example and have a strategy/counter point ready

Where companies fail

1. Poor handling of investor relationship:

- Delay in initial contact
- Slow to provide additional info
- Not returning investor calls promptly
- Not effectively addressing investors' concerns
- Letting leads go cold

2. Inadequate information provided:

- Inaccurate
- Poorly presented
- Not credible
- Too much in volume
- Assumptions not clearly identified
- Data omitted

3. Poor negotiating skills *Need to be flexible*

Make sure you include the following in your deck (non confidential)

1. Vision and Value proposition (Elevator pitch in a sentence)
2. The problem you are solving (and the size of it)
3. Market and opportunity
4. Business Model
5. Traction/ Roadmap
6. Commercial strategy
7. Founding Team
8. Competition
9. Financials
10. Investment & use of Funds
11. Exit strategy / partnerships / anything else that builds credibility

Make sure you include the following in your due diligence dropbox

(under confidentiality agreement)

1. Investment Deck
2. More details on the customers
3. More details on the product (evidence/ publications etc)
4. More details on the deal- valuations/ share structure
5. Financials- assumptions/ cash flow/ burn/ forecasts
6. Legal's- everything relevant
7. More details on the founding Team
8. Investment & use of Funds
9. Exit strategy / partnerships / anything else that builds credibility
10. Anything else the potential investor deems key for their DD

MedCity Investment Hub- Opportunities

- [MedCity – Spex Capital Investment Call - MedCity \(medcityhq.com\)](#)
- Exclusive partnership
- Aimed at Innovative Health Tech Companies seeking seed or series A investment..
- Average ticket size between £500k and £2M
- Applicants will also benefit from access to advisory teams with deep sector experience



MedCity Investment Hub

Company Showcase

Save the date

Thursday 1st July 2021

Thursday 4th November 2021

Thursday 10th February 2022



MEDCITY

MedCity other resources- potentially of interest

<https://www.medcityhq.com/events/4193/> Free lawyer in Residence clinics- focusing on Investment- consult on terms, partnerships, agreements . How to get ready to go from start up to series A

<https://www.medcityhq.com/2021/09/29/expert-insight-from-start-up-to-series-a/>

Demand Study & other resources

<https://www.medcityhq.com/resources/>





Q&A

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