

# *Omega Funds*

- Global investor, head office in Boston
- Global approach (primary, secondary, private, public, biotech, medtech, tools)
- Started in 2004, US LPs, last closing Fund V 300M

# Omega Recent Deals

Kuros	Recapitaization	Private
Replimmune	Seed	Private
Kezar Life Sciences	Series A	Private
XTuit Pharmaceuticals	Series A	Private
Visterra	Series A	Private
Andrew Alliant	Series A	Private
SpineVision	Series A	Private
Rana Therapeutics	Series A	Private
Gelsight	Series A	Private
Dicerna Pharmaceuticals	Series A	Went public
Juno	Series A	Went public
Jounce Therapeutics	Series B	Private
Intarcia	Series B	Private
Editas	Series B	Private

Chimeric Antigen Receptor

Bi-specific Antibodies

Oncolytic Virus

Egalet	Series B	Went public
Biovex	Series C	Acquired
JenaValve Technology	Series C	Private
Micromet	undiscl.	Acquired
Paratek	undiscl.	Went public
Achaogen	undiscl.	Went public
Fibrogen	undiscl.	Went public
Enanta	undiscl.	Went public
Scibase	undiscl.	Went public
Navriva	Cross-over	Went Public
Telesta	PIPE	Public
Median Technologies	PIPE	Public
ESSA Pharmaceuticals	PIPE	Public

siRNA

Genome Editing

# *Investment decision checklist*

- Is the project truly innovative and differentiated
- Commercial opportunity
- Feasibility
- Intellectual property
- Team
- Competitive landscape
- Return constraints (valuation-budget-exit metrics)
- Syndicate

# *US vs. EU Healthcare Funding*

## **Private**

- More US VCs
- Richer US VCs
- Larger early rounds with deeper syndicates
  - Many well-financed startups, less financial risk for companies and VCs
- US crossover-investors with large pockets (several multi bill. USD)
  - Ensure the transition to the more expensive corporate phases (clinical)
  - «Primes» the IPO pump

## **Public**

- More US specialists funds
- More US sophisticated investors who can «read in tea leaves»
- Bigger US equity funds
- US investors willingness to buy pipe/dreams
  - More appetite for IPOs and follow-ons
  - No need to rely on generalists, hence less cyclical

# *US «Cultural» Assets*

- More experienced management teams
- More bridges and better conditions for academic entrepreneurs
- Less rapacious and more realistic academic institutions
- License to fail for entrepreneurs

# *HC in EU Works Fine as HC gets Global*

- There is high quality science in EU
- There are arbitrage opportunities in EU
- US VC and cross-over investors are increasingly looking into EU
- EU companies can successfully list in EU (Molecular Partners, ...)
- EU companies can successfully list in the US (Cellestis, ...)
- There are great domestic EU stories (Genmab, Innate, Actelion, ...)
- More \$ doesn't necessarily mean better returns

# More \$ doesn't means better returns

Exit Multiple	Median Capital Invested	Total Exits	Exits with \$50M-\$100M Invested	Exits with \$100M+ Invested
Top Quartile (8.1x+)	\$16M	22	3/22	0/22
2nd Quartile (3.67 -8.0x)	\$42M	22	5/22	4/22
3rd Quartile (2.76-3.66x)	\$73M	20	13/20	5/20
Bottom Quartile (0-2.75x)	\$106M	21	7/21	12/21

■ Pre-clinical   
 ■ Phase I   
 ■ Phase II   
 ■ Phase III   
 ■ Commercial

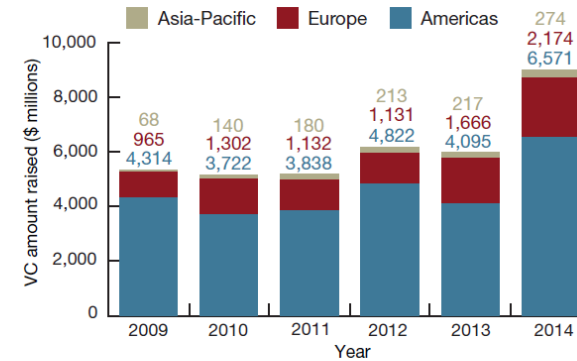
Source: CB Insights, VentureSource, PitchBook, press releases and SVB proprietary data

# Backup slides



# US VCs

- More VCs
- Bigger VCs
- Bigger syndicates
- Bigger early rounds



	2009	2010	2011	2012	2013	2014
Americas	225	250	237	257	271	295
Europe	103	118	121	117	136	137
Asia-Pacific/Other	7	14	16	15	17	23

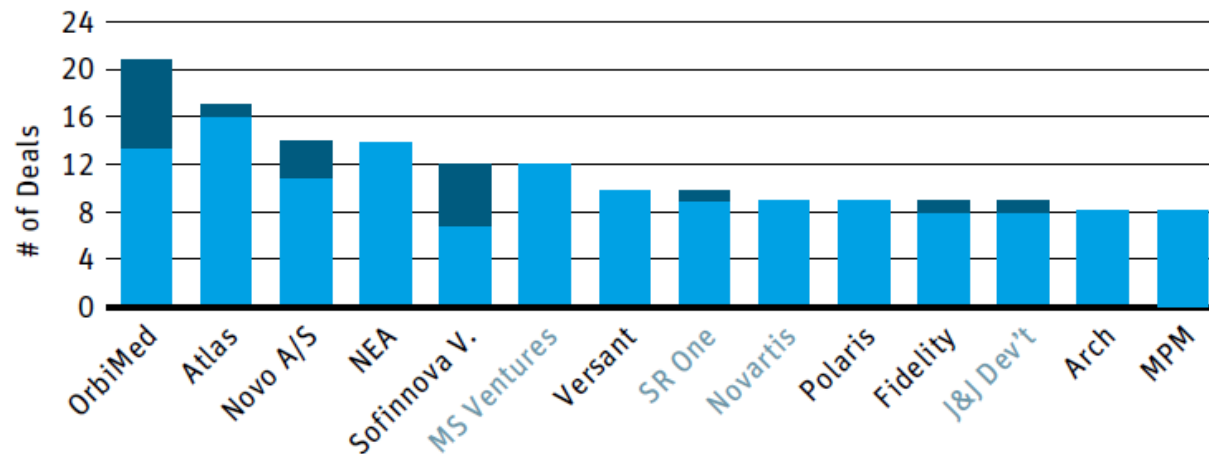
Table indicates number of VC investments and includes rounds where the amount raised was not disclosed.  
Source: BCIQ: BioCentury Online Intelligence

→ More and better financed startups, less financial risk for companies and VCs

- But EU VCs are savvy and brave as well (arguably, some even gutsier)

# US & EU VCs

Exhibit 4: Most Active\* New VC Investments in Biopharma (2013-2014)



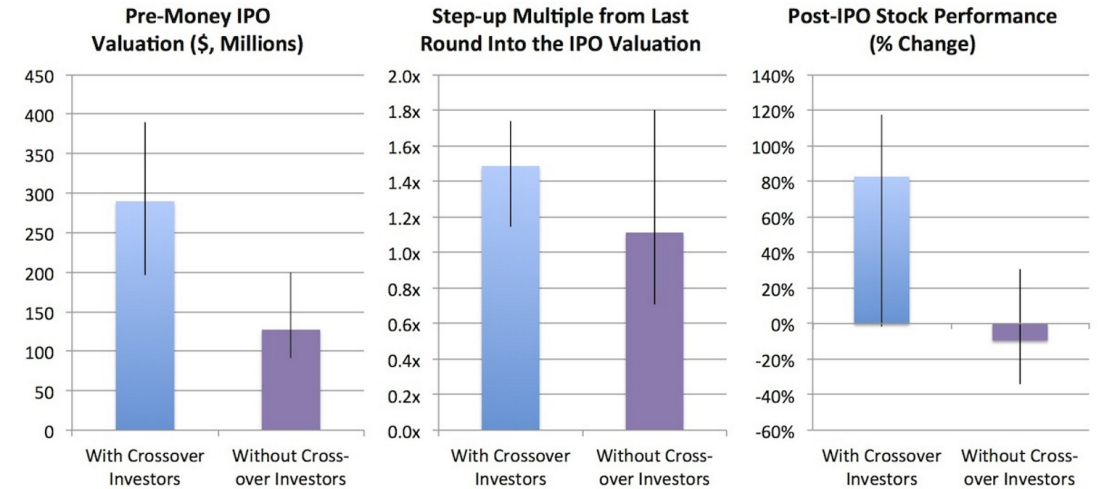
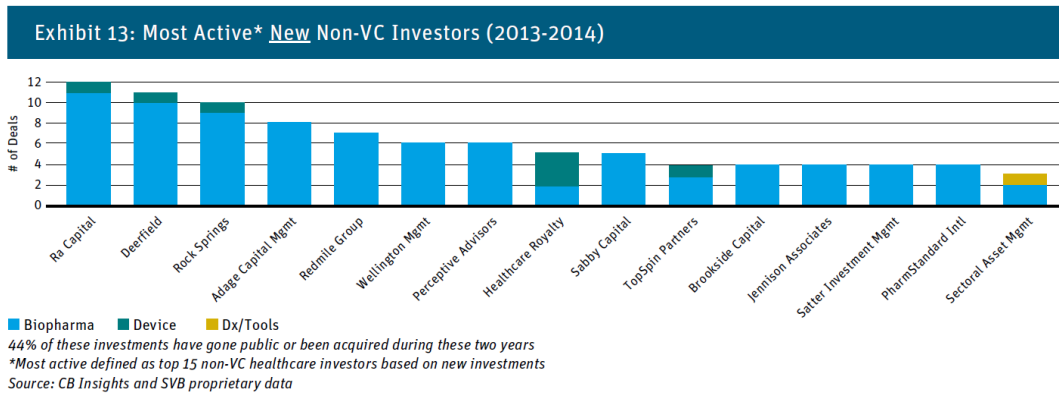
■ Early (Seed-Series B): 88%    ■ Late (Series C+): 12% (Corporate)

Trends ▲ Polaris, J&J Dev't    ▼ SR One, Alta, Astellas, Pfizer, Third Rock

\*Most active defined as top 14 investors based on new investments

Source: CB Insights and SVB proprietary data

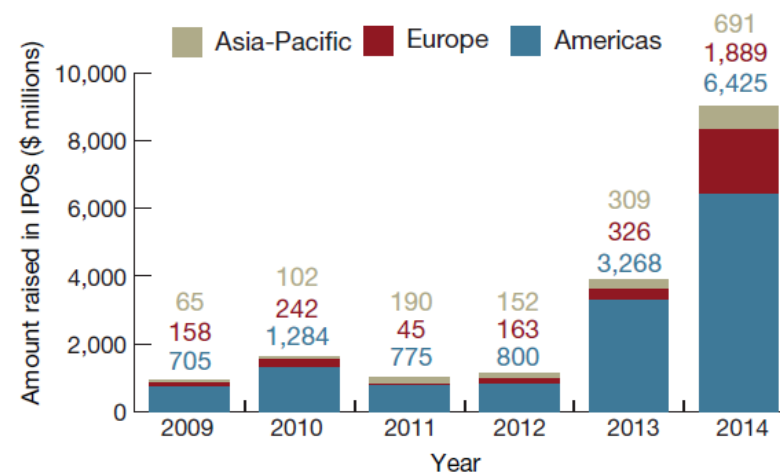
# US Crossover-Investors



Ranges represent 25<sup>th</sup> and 75<sup>th</sup> percentiles around the median value (50<sup>th</sup> percentile)  
 N=24 companies with cross-over investor led pre-IPO financings, and 70 companies without  
 Data as of October 20, 2014

# US Public Investors

- More Specialists funds
- More sophisticated investors who can «read in tea leaves»
- Bigger funds
- Willing to buy dreams
  - More appetite for IPOs and follow-ons
  - No need to rely on Generalists, hence less cyclical



	2009	2010	2011	2012	2013	2014
Americas	4	18	11	12	42	74
Europe	3	10	4	7	9	30
Asia-Pacific	3	5	9	6	9	8

Table indicates number of IPOs. Source: BCIQ: BioCentury Online Intelligence

# *US View of EU Companies (myth or reality)*

- Weaker management teams
- Weaker syndicates
- Bleaker exit opportunities (EU IPOs)
- But changing in a positive way
- Cross Atlantic opportunities - arbitrage

# HC in EU Works Fine as HC gets Global

**Table 2 Total and average A round amounts by country in 2014.**

Country (number of rounds)	Total amount raised (millions)	Average raised per round (millions) <sup>a</sup>
Switzerland (5)	\$104.1	\$20.8
United Kingdom (14) <sup>a</sup>	\$230.0	\$19.2
United States (61) <sup>a</sup>	\$961.6	\$17.5
Canada (2)	\$35.0	\$17.5
China (4) <sup>a</sup>	\$49.4	\$16.5
Israel (1)	\$14.0	\$14.0
France (6)	\$74.1	\$12.4
Denmark (4)	\$32.1	\$8.0
Japan (1)	\$8.0	\$8.0
Germany (5)	\$34.4	\$6.9
Sweden (1)	\$5.7	\$5.7
The Netherlands (3) <sup>a</sup>	\$5.2	\$5.2
Finland (1)	\$3.8	\$3.8
Iceland (1)	\$2.0	\$2.0
Australia (1)	\$0.9	\$0.9
Norway (1)	\$0.7	\$0.7

<sup>a</sup>A rounds of nondisclosed amounts left out of average calculation. Source: BCIQ: BioCentury Online Intelligence.

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