



BioForward

The 'Roadmap for Growth' Life Sciences Event

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Workshop seven: A Guide to Financial Management for Early-stage Companies



Lars Ottevanger
Associate Capital Advisory, F.Institute

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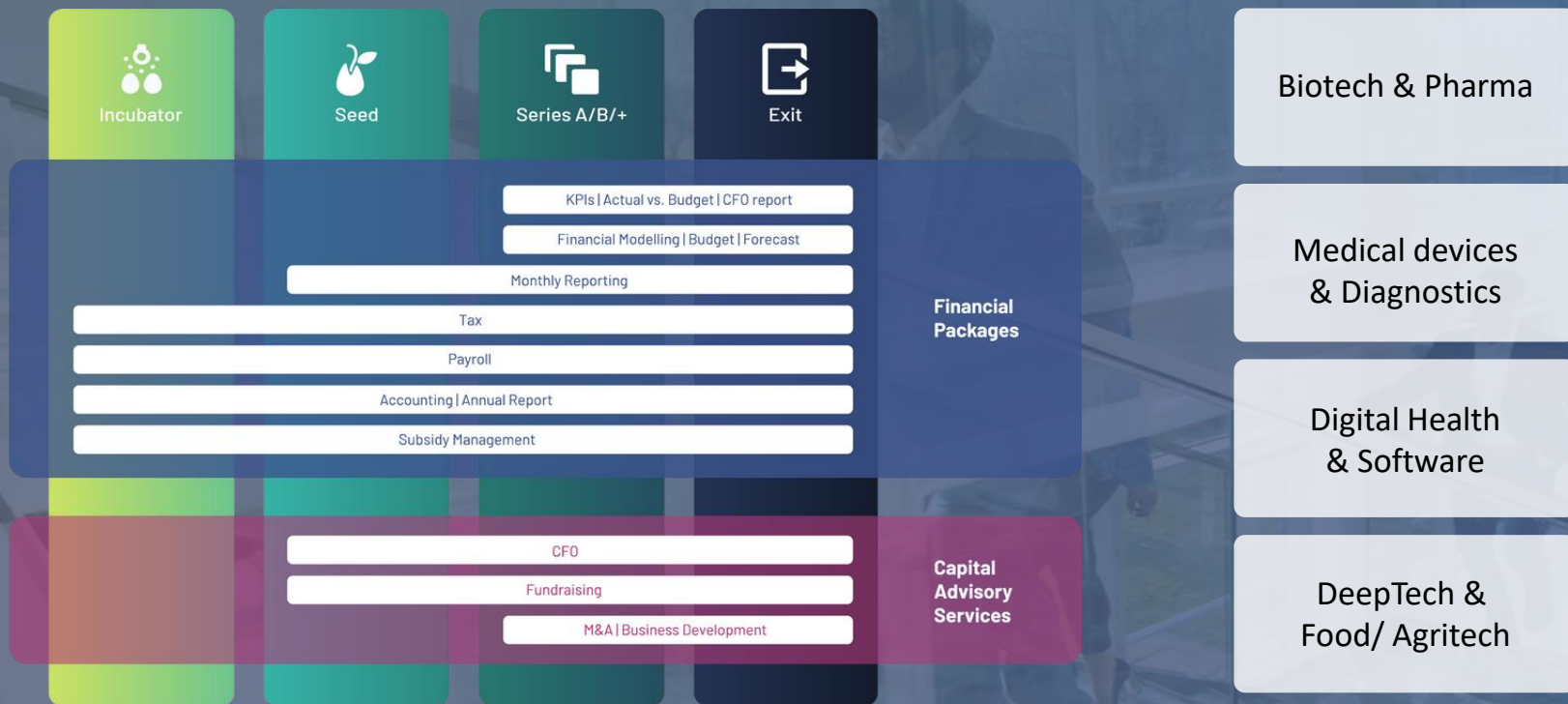
BIOFORWARD 2023

A GUIDE TO FINANCIAL MANAGEMENT FOR EARLY-STAGE COMPANIES

Lars Ottevanger, Associate Capital Advisory

lars@f.institute

A one-stop partner for financial services



F.INSTITUTE at a glance

Since our foundation in **2018** we have exclusively focused on **Life Sciences and Deep Tech** companies across **Western-Europe**, with offices in the Netherlands and the UK

100
+

Clients in our portfolio

200
+

VCs that receive our reports each month

300m

Amount raised in early-stage transactions

50%

Finance professionals with science background

15+

Years of industry experience in CA

500
+

Total years of industry experience at F.I



Highlights

JUNE 22, 2023 · 7 MIN READ

Tagworks Pharmaceuticals Announces \$65 Million in Series A Financing to Advance Click-to-Release Therapeutics

Financing round led by Ysios Capital and Gilde Healthcare with participation from Novartis Venture Fund, New Enterprise Associates, and Lightstone Ventures

TargED Biopharmaceuticals raises EUR 39 Million in Series A financing to bring groundbreaking thrombolytic treatment to patients

- Financing with equal contribution by an international investor syndicate comprising of Andera Partners, Fund+, Hadean Ventures, Inkef Capital and Sunstone Life Science Ventures
- Funds will accelerate development of first-in-class targeted thrombolytic treatment into clinical development

Press Release

Delta Diagnostics raises €5.25 million in Series A Funding to Revolutionize Biosensing Technology

Rotterdam, May 9, 2023 – Dutch start-up, Delta Diagnostics, a leader in label-free, multiplexed biosensing, announced today that it has successfully secured Series A funding of €5.25 million.



ArthroSave raises €2.6 million in new investment round to battle severe knee osteoarthritis

Culemborg, The Netherlands – ArthroSave has developed a unique joint saving treatment for patients with severe knee osteoarthritis. A new investment round of € 2.6 million, led by Oost NL, enables ArthroSave to perform clinical trials and to accelerate the commercialisation of the KneeReviver.

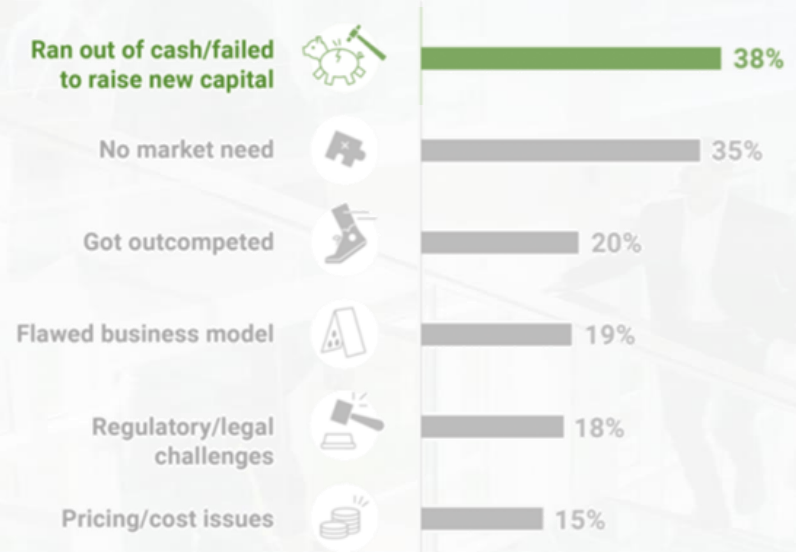
Lets talk about... fundraising!



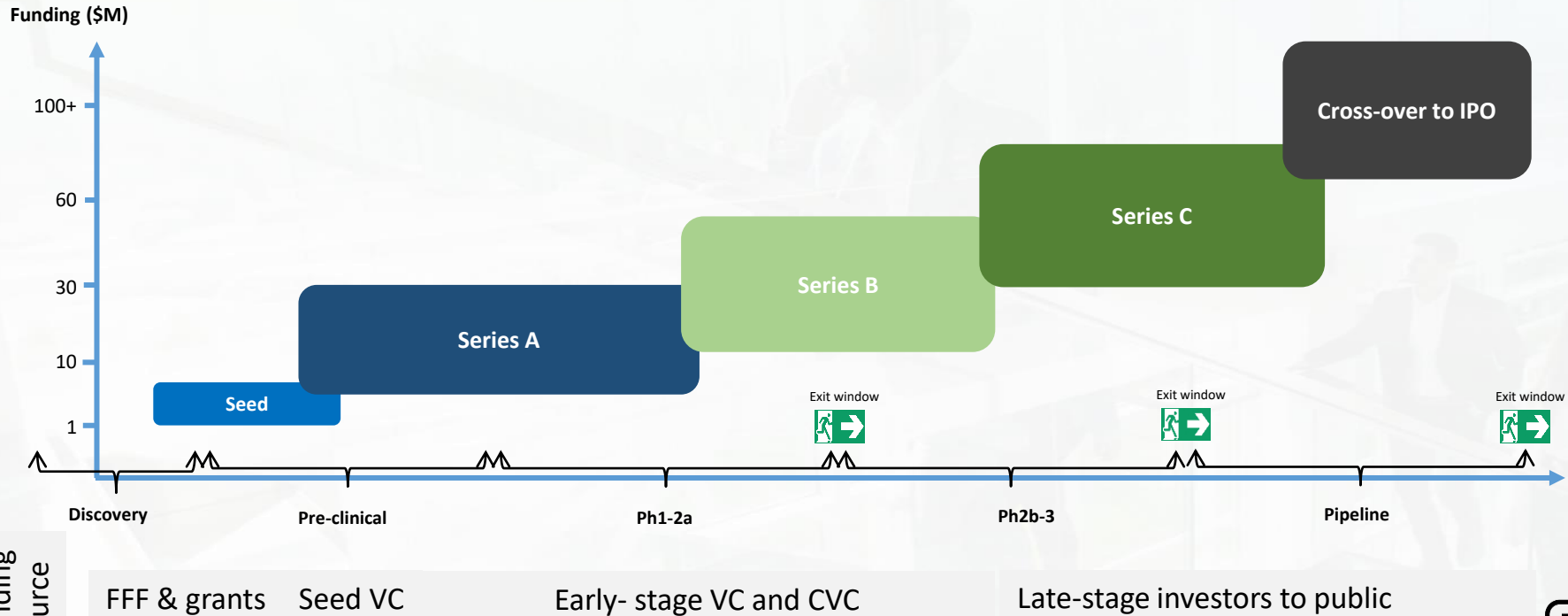
of the startups fail

CBINSIGHTS

Top reasons startups fail



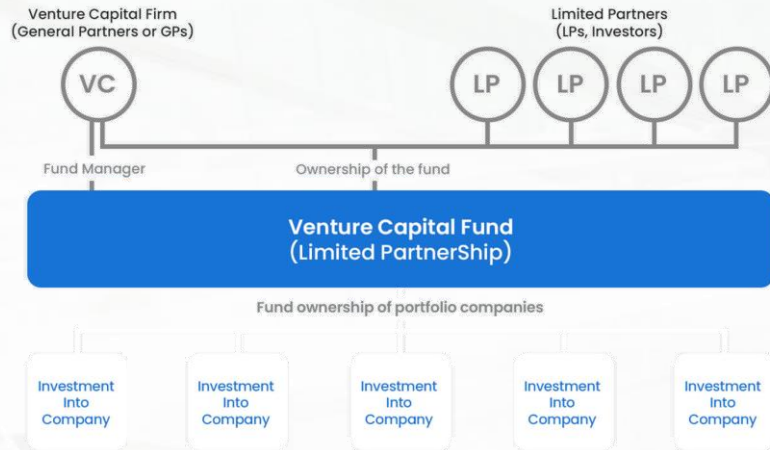
Appropriate funding for each phase



Funding source



The dynamic in Venture Capital



10 years lifetime

Management and holding

20% IRR

Good deal flow

Power law

Simple example VC fund

Total fund size	100M
- management and operational expenses	- 10M
Capital to deploy	90M
Required return after 10 years (GP and LP)	500M
No. of companies	10
Participation per company	9M
Average CoC multiple the portfolio	5,5x

Category	Statistics	return
Failed	3/10	0x
Poor	3/10	2x
Average	2/10	4x
Good	2/10	8x
Homerun	1/10	20x
total	10/10	Avg. 5x

An investment with a limited multiple potential (<10x) is not worth the investment if the risk is high

The VC method to 'value' a company

Company XYZ

5Million Seed

15Million Series A

20Million Series B

Total Investment to Exit: 40M



Exit value required between ... Million and ... Million

Today's founders work in challenging times...



Continued inflation and
increased interest rates

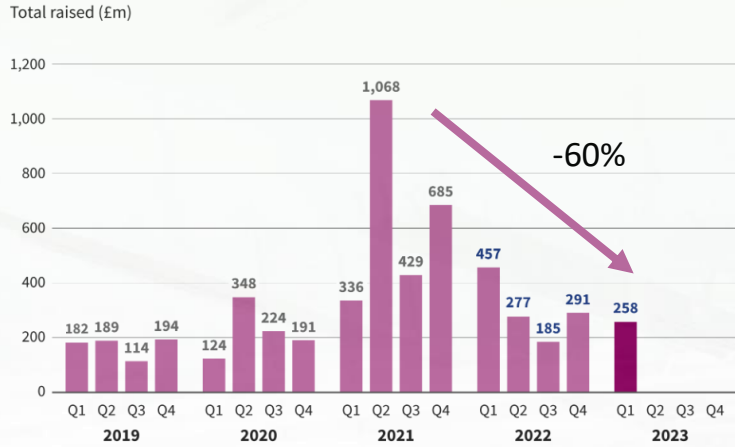


Decreasing
valuations

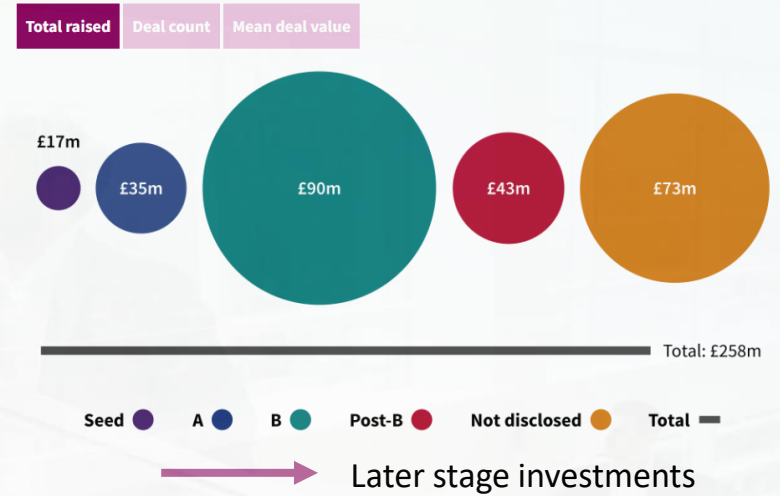


Fewer investments
and exits

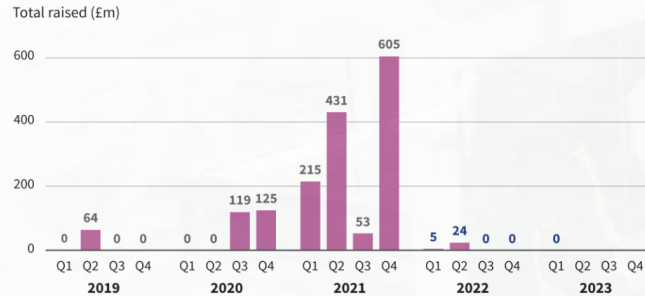
Total raised shown by quarter, for the past five years



UK biotech venture capital deals by amount raised and deal count

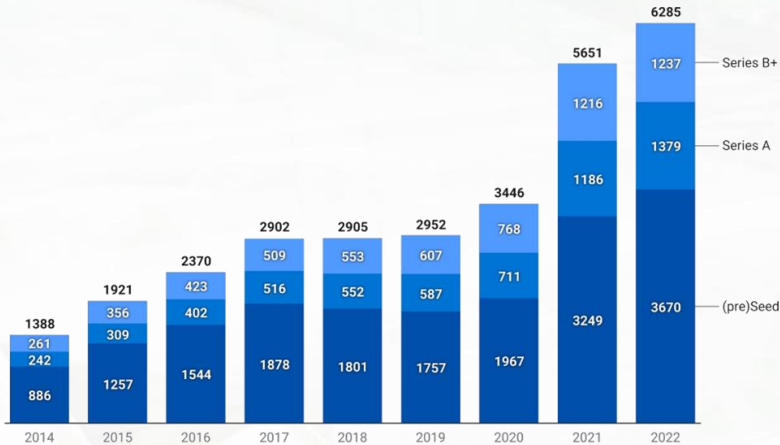


Total raised in IPO by quarter, for the past five years



Dry-powder in the UK & EU Market

The number of unique VC funds doubled in the last 4 years.



New funds raised by UK & European VCs



Key advice

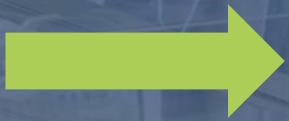
For fundraising entrepreneurs

1. Know yourself & your audience
2. Sell the science & technology
3. Size your round right
4. Plan for major milestones and risk-reduction
5. Invest in a strong investment consortium

In the meantime:

1. Buy yourself more time
2. Professionalize your finance department

How F.INSTITUTE can help



Be in control of your company.
Access to UK & EU VCs



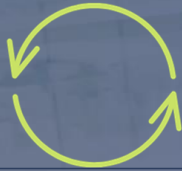
...why lean finance is key

Management Team

CEO

COO

CxO



One-Stop Partnership

F.INSTITUTE

Making sure ventures get what they need,
when they need it,
without overdoing it





Q&A?

For more information visit our website WWW.F.INSTITUTE

or contact me via LinkedIn or e-mail: LARS@F.INSTITUTE



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