BioRock Ventures is a life sciences VC fund investing in biopharmaceutical companies developing innovative treatments for serious disease.

Mary Wheeler, PhD MBA
Mary (at) BioRockVentures.com
www.biorockventures.com

Disclaimer: This introduction is made only to qualified investors, an offer to invest can be made only pursuant to an offering memorandum. There can be no assurance that any future fund will be successful or provide returns. Past performance is no guarantee of future performance.
BioRock Ventures invests in underserved small bio-pharma startups

Seed-sized investments
Clear path to exit: potential M&A or IPO at next 'round'
Private companies developing novel FDA regulated therapeutic drugs
Efficient use of capital
Experienced teams
Large Flourishing Life Science Boom
but not enough capital for small biopharma startups

BioPharma VC is a large attractive segment.

- BioPharma: routinely the best returns (Cambridge Associates) and the largest VC segment (by $ and #) after Software (Pitchbook)
- 74% of VC backed IPO exits through 3Q’18 were life sciences companies (Pitchbook) Record $51B in M&A and IPO exits (SVB)
- “The Number of Novel Drug Approvals in the United States reached unprecedented heights ...” (Nature Biotechnology February 2019)

Boom in capital flow everywhere but seed stage biopharma (figure next slide)

- Life science Series A pre-money valuations moved from an average $6M in 2012 to $20M in 2018 (Cooley data via LifeSciVC)
- VCs continue to invest larger rounds

AND

- Established life science VC firms do not routinely fund seed companies started by an independent founding team

This leaves out founding teams who don’t want to be empire builders, who aim for a more efficient use of capital to a quicker exit. These deals have much less competition for VC $.

BioRock Ventures focuses on these neglected independent biopharma founders who want to leverage capital efficiently and exit rapidly

BioRock looks for a clear path to major exits (M&A, IPO)

- 3 years median time to exit for all biopharma private M&A (SVB) in 2018 and again in 2019
- In 2019 over 20 VC backed biopharma startups had $1B+ exits (SVB)
- Record exit totals of $51B and $46B in 2018 and 2019 (SVB)
BioRock Ventures invests in this large high unmet need segment.
Mary Wheeler

**TEAM:** As the sole GP, Mary is based in Silicon Valley and has 20 years of experience in biopharma therapeutics (Rx).

She has led assessment of 1000s of Rx opportunities over her career as the buyer and as the seller. She has led strategy, assessment and contract negotiations for multi-billion dollar M&A and licensing deals at companies including Johnson and Johnson’s California Innovation Center, Forest Laboratories (now Allergan) in New York City and as a startup founder in the Boston area (via M&A, now part of Pfizer).

She has also advised dozens of venture backed startups as Chief Business Officer and deal lead.

**Education:** Mary holds an MBA from MIT Sloan, a PhD from Princeton and a BA from Yale. Mary is Class 18 Kauffman Fellow.

M&A, BigCo Deal experience enables expert investment selection and exit negotiations for portfolio companies. Broad operating experience from startup founder to public multinational BigCos.
Criteria—Highly selective. No “spray and pray” in BioPharma
Fundamental emphasis on quality and path to exit. Careful selection of investments even at the earliest stages.

1. Team
   - Grit, Humility, Coach-ability
   - Relevant experience and training
   - Clarity of communication and vision
   - Diversity, leads to better decision making and returns

2. Market
   - Size > $250M to $1B+ in sales potential for lead asset (TAM)
     - TAM is not “curing cancer” but the precise indication and label targeted in the TPP in clinical trials
   - All therapeutic areas and all modalities
     - Rare diseases, Cancer, Metabolic and cardiovascular (diabetes, NASH), infectious disease, CNS (Alzheimer’s disease, depression, anxiety, ALS, Parkinson’s), Orphan diseases, Ophthalmology, many others
     - Small molecules (pills), biologic injected proteins, gene therapies, mRNA, digital, others

3. Competitive Position
   - Usually need to see a path to Novel COM IP (Composition of Matter Intellectual Property-patents)
   - Meaningful improvements over the current Standard of Care. What is the real impact for the patient?

Non-Clinical

- Technical expertise (science, engineering, etc.)
- Financial acumen, due diligence
- Understanding of the clinical, regulatory, and manufacturing processes
- Business acumen, deal-making
- Network of industry contacts
- Ability to make informed decisions based on data and analysis

1. Clinical
   - Experience in the development of drug candidates
   - Knowledge of clinical trials and regulatory requirements
   - Understanding of pharmacology, toxicology, and safety
   - Ability to manage timelines and budgets

2. Business
   - Experience in the pharmaceutical or biotechnology industry
   - Knowledge of market analysis, financial modeling
   - Understanding of the growth and potential of the company
   - Ability to negotiate and close deals

3. Technical
   - Experience in research and development
   - Knowledge of drug discovery, preclinical testing
   - Understanding of the scientific and technical aspects of drug development
   - Ability to interpret data and results

4. Financial
   - Experience in finance or investment banking
   - Knowledge of financial modeling, valuation
   - Understanding of the financial metrics of a company
   - Ability to analyze and interpret financial data

5. Operational
   - Experience in manufacturing or quality control
   - Knowledge of production processes and safety procedures
   - Understanding of the operational aspects of a company
   - Ability to manage and oversee operations
Criteria—Highly selective. No “spray and pray” in BioPharma

Process: Fundamental emphasis on path to exit. Plus all criteria must be excellent or no investment.

1. Clear milestones and efficient use of funds
   Data generation plan that will be compelling and relevant to potential M&A buyers and to the FDA
   - Clear plan for Manufacturing, Regulatory, Clinical trial enrollment and pre-clinical work, as applicable

2. Evidence of safety and efficacy in the target indication -> meaningful benefit over SOC
   Available high quality data providing a reason to believe the team can achieve the milestones

3. Near term exit potential
   Clear potential path to 10X+ exit in 1–3 steps and less than 5 years; often via M&A

4. Follow on VC investment potential, in the event ideal exit is delayed
Thank You.

Mary Wheeler, PhD MBA
Mary (at) BioRockVentures.com
www.biorockventures.com
APPENDIX
Analysts call 2019 BioPharma exits “spectacular”.

3 Years to exit on average
Analysts call 2019 BioPharma exits “spectacular”

### Recent IPOs Exit in Public Market, Driving $1B+ Exits

We revised the period for $1B+ activity on this slide to include any private M&A since 2015 or any IPO or public M&A by the IPO classes of 2015—2019 (we removed class of 2013 and 2014.)

Every IPO class has added $1B+ market cap companies from mid-year to end of year: 2017 IPO class increased from seven to 10, 2018 IPO class almost doubled from seven to 13 and 2019 IPO class almost tripled from seven to 20.

The 20 $1B+ end-of-year market caps for the class of 2019 IPOs are the highest $1B+ companies we have seen in any IPO class. Even more impressive is that 12 of the 20 IPOs had market caps less than $1B at IPO (median $582M) and grew into $1B+ value in the public market.

$1B+ public M&A of recent IPOs also picked up in 2019, with five deals exiting at great premiums, selling for a combined deal value of more than $13B. These exits provided amazing returns, especially for crossover investors.
The BioPharma VC sector is the largest in Healthcare—not a small niche

Analysts call 2019 BioPharma exits “spectacular”