

HealthCap

VENTURE CAPITAL

FOR BREAKTHROUGH THERAPIES

*How to invest in Health & Life
Sciences*

2022-05-19

TODAY

INTRODUCTIONS

HEALTH & LIFE SCIENCE AS A SECTOR

INVESTING IN LIFE SCIENCES – HOW?

CONCLUDING REMARKS

INTRODUCTIONS

INTRODUCTIONS

Founded in 1996, HealthCap is a Leading Life Science VC in Northern Europe investing globally in
Breakthrough Therapies

HealthCap

HEALTH & LIFE SCIENCE AS A SECTOR

MACROTRENDS DRIVING HEALTHCARE GROWTH



INCREASING AND AGING POPULATION

The number of persons aged 80 or over is projected to triple by 2050



INCREASING GLOBAL WEALTH

As nations get wealthier, healthcare spending increases



UNPRECEDENTED INNOVATION

Innovation is happening at an unprecedented scale for treatment of diseases with high unmet medical need

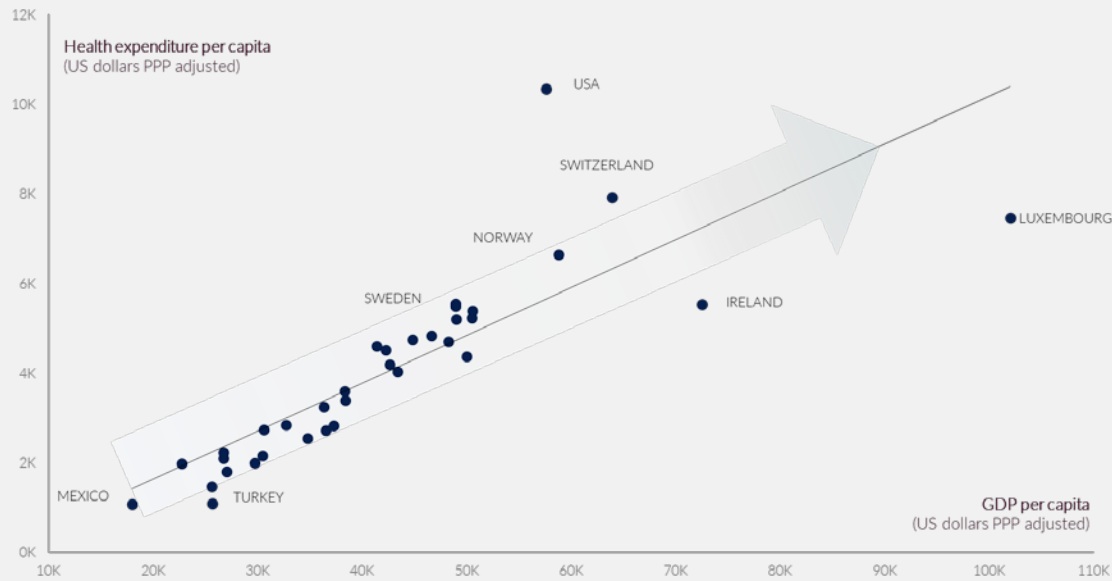
EST. GLOBAL HEALTHCARE SPENDING IN 2022

> USD 10 trillion

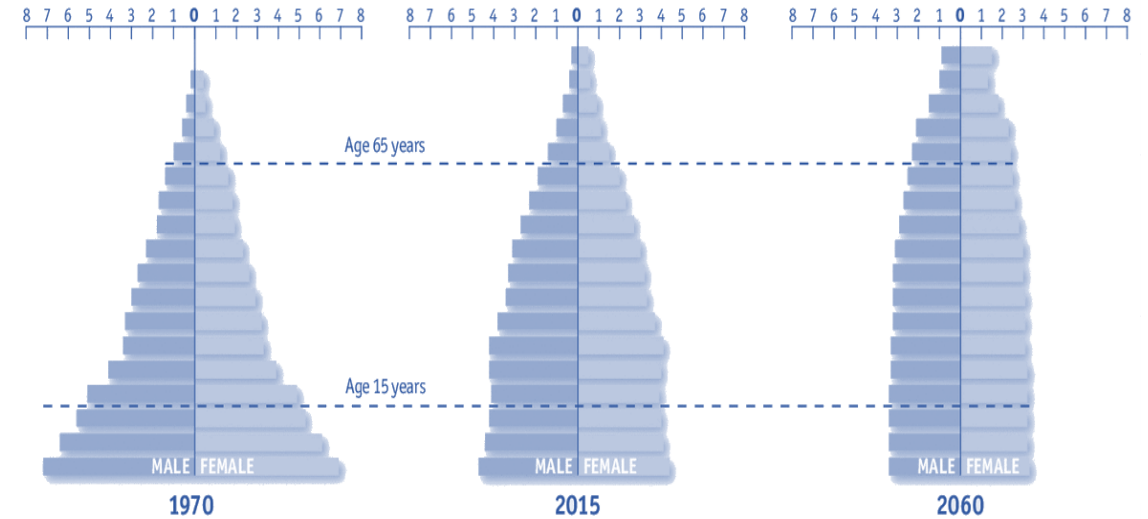
CAGR APPROX. 9%

THE FUTURE IS OLDER AND SPENDS MORE ON HEALTHCARE

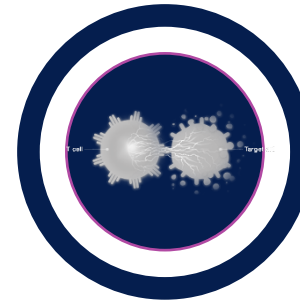
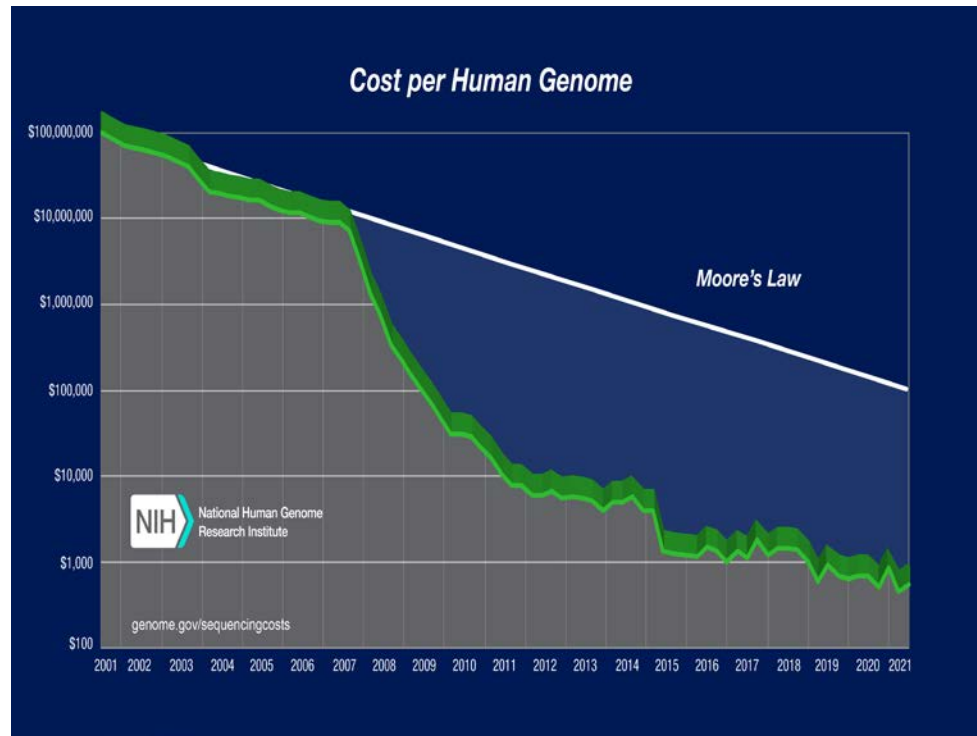
UP UP AND AWAY HealthCare spend Vs. GDP



FROM THE PYRAMIDE TO THE DOME GLOBAL POPULATION, % OF TOTAL

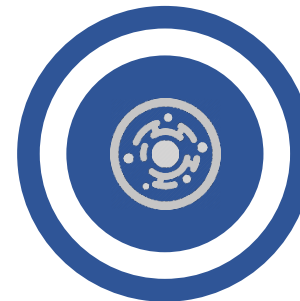


UNPRECEDENTED MEDICAL INNOVATION



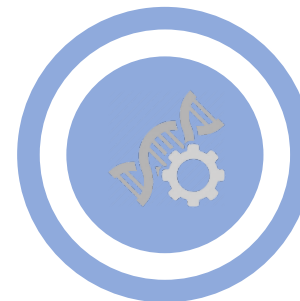
IMMUNOTHERAPY

For the first time in many years a new treatment modality offers patients another chance for cure.



CELL THERAPY

Treating cancer by engineering cells is pioneering a new era of treatments.

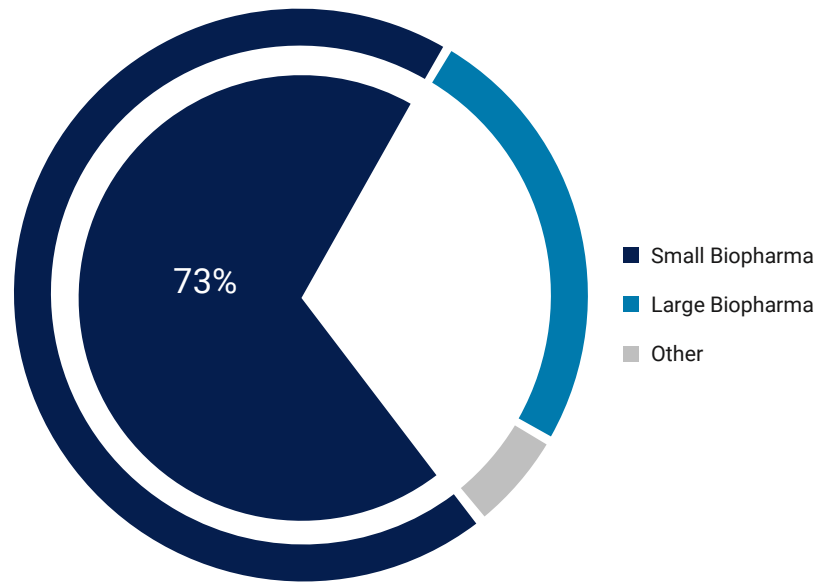


GENE THERAPY

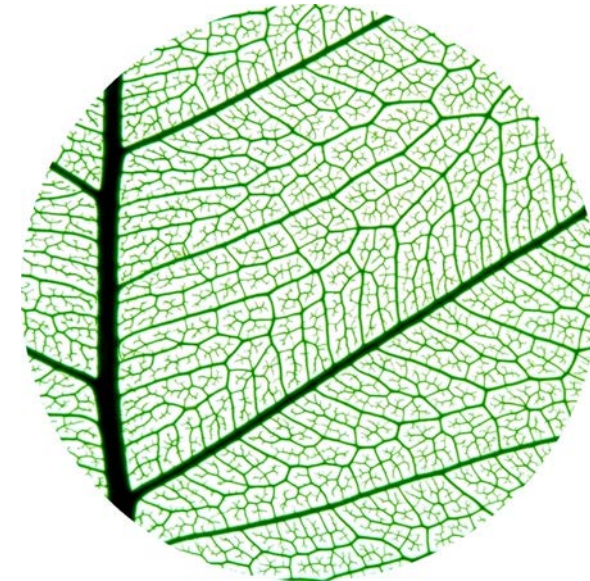
Curing genetic diseases by replacing faulty genes has become a reality.

SMALL COMPANIES DRIVE INNOVATION – EXIT OPPORTUNITY

Meaningful innovation is increasingly driven by small companies
in a well-functioning and M&A-intensive life science ecosystem



Small biopharma and biotech companies originated
73% of the global late-stage pipeline in 2020



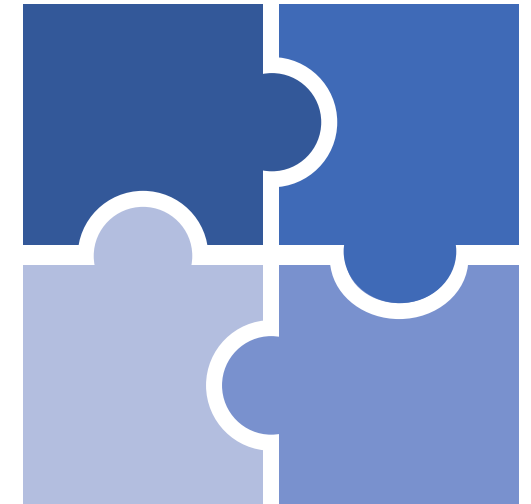
The global life science ecosystem promotes
innovation for the benefit of patients, healthcare
providers, society, and investors

INVESTING IN LIFE SCIENCES – HOW?

WHAT ARE THE MAIN GENERAL RISKS IN DRUG DEVELOPMENT?

		Key underlying factor	Precision medicine de-risking
Commercial	8%	<ul style="list-style-type: none"> Strategic decisions based on incomplete data packages 	<ul style="list-style-type: none"> Early (de)-prioritization, patient identification etc
Strategy	15%		
Safety	24%	<ul style="list-style-type: none"> Target modulation causes side effects Drug interacts with other targets 	<ul style="list-style-type: none"> More granular understanding of target biology and drug interaction
Efficacy	52%	<ul style="list-style-type: none"> Target is not significant in disease biology (40%) Drug is not bioavailable Drug interacts poorly with the target 	<ul style="list-style-type: none"> Understanding of disease biology and correctly linking target to human pathology Preclinical testing using translational disease models

Adapted from McKinsey&Co 2018 report Precision Medicine – opening the aperture



HOW TO DE-RISK LIFE SCIENCES?



PRECISION MEDICINE.

Precision medicine means finding the right medicine for the right patient

NEW TECHNOLOGIES.

RNA therapeutics – Gene Therapy
Cell therapy – Protein Engineering

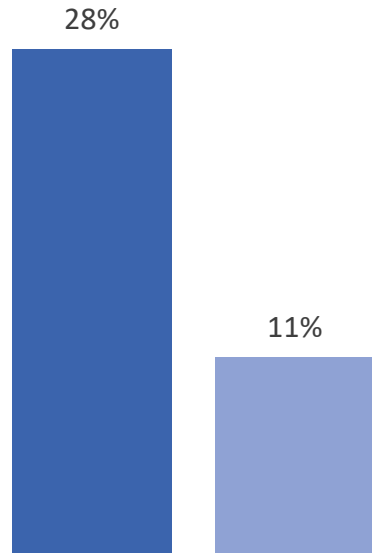
UNMET MEDICAL NEED.

True value creation for all stakeholders
and a compelling risk : reward profile

LET DATA BE YOUR GUIDE

SUCCESS RATES ARE HIGHER (PHASE I – APPROVAL)

2.5 times higher probability of success if human genetics support development efforts

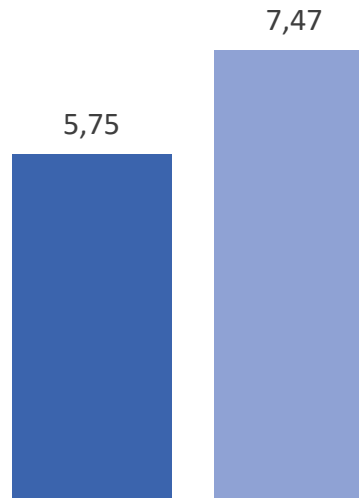


■ Human Genetics support ■ No genetic support

Source: McKinsey&Co 2018 report Precision Medicine – opening the aperture

SHORTER DEVELOPMENT TIME

Total development time is around 2 years shorter for precision medicine programs

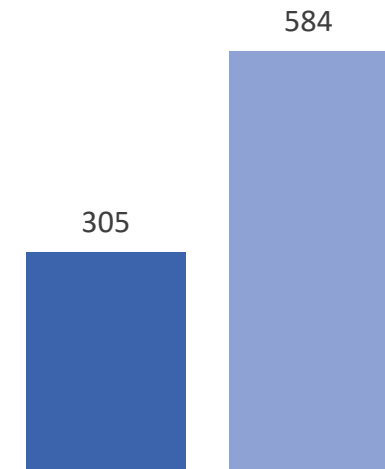


■ Precision Medicine ■ Non-precision medicine

Source: Pregelli et al. HEALTH AFFAIRS. 2018

LESS EXPENSIVE CLINICAL TRIALS

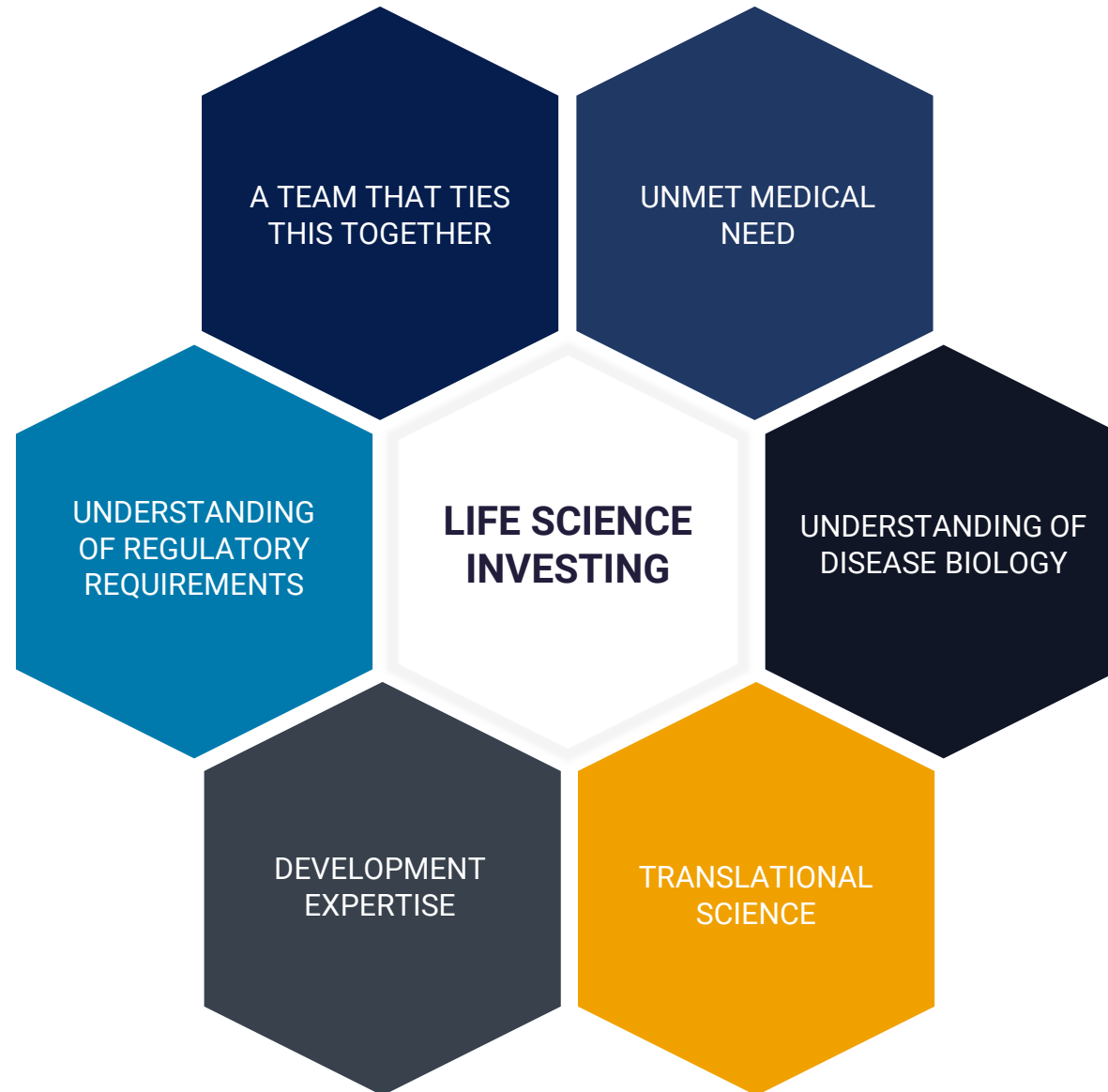
Precision medicine pivotal trials need half the number of patients of that of non-precision medicine trials



■ Precision medicine ■ Non-precision medicine

Source: Pregelli et al. HEALTH AFFAIRS. 2018

WHAT TO LOOK FOR IN A LIFE SCIENCE INVESTOR?



LIFE SCIENCE INVESTING IS A LOCAL AND GLOBAL UNDERTAKING



LOCAL.

A local ecosystem to support academic researchers and local investors to interact and collaborate

GLOBAL.

Large, global players are needed to advance local discoveries and breakthroughs to the global playing field

COLLABORATION.

All parts are important and interdependent on one another.
Collaboration - not competition.

THE SEARCH FOR UNIQUENESS



CONCLUDING REMARKS

PUTTING THE PUZZLE TOGETHER

