



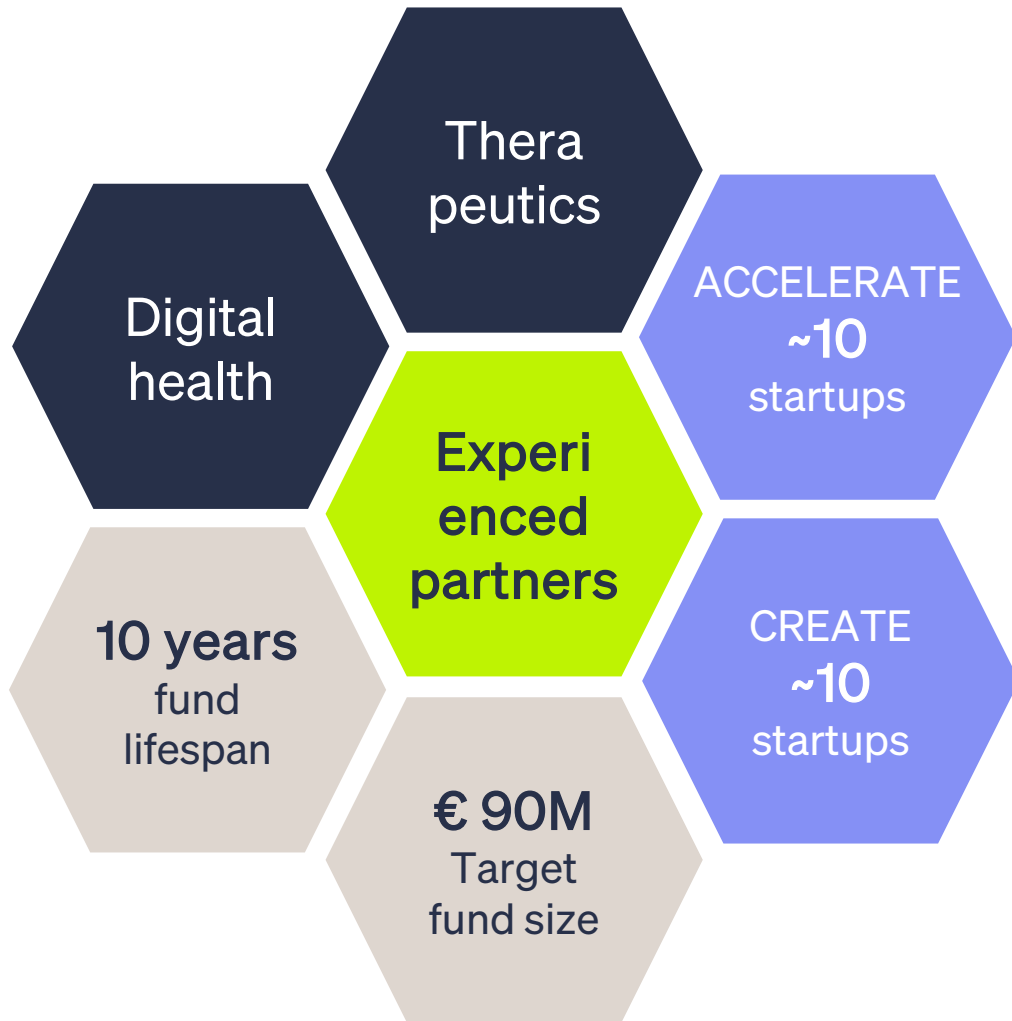
DIVERSITY OF INVESTING IN HEALTH & LIFE SCIENCES

5/2022 How to Invest in Health and Life Sciences

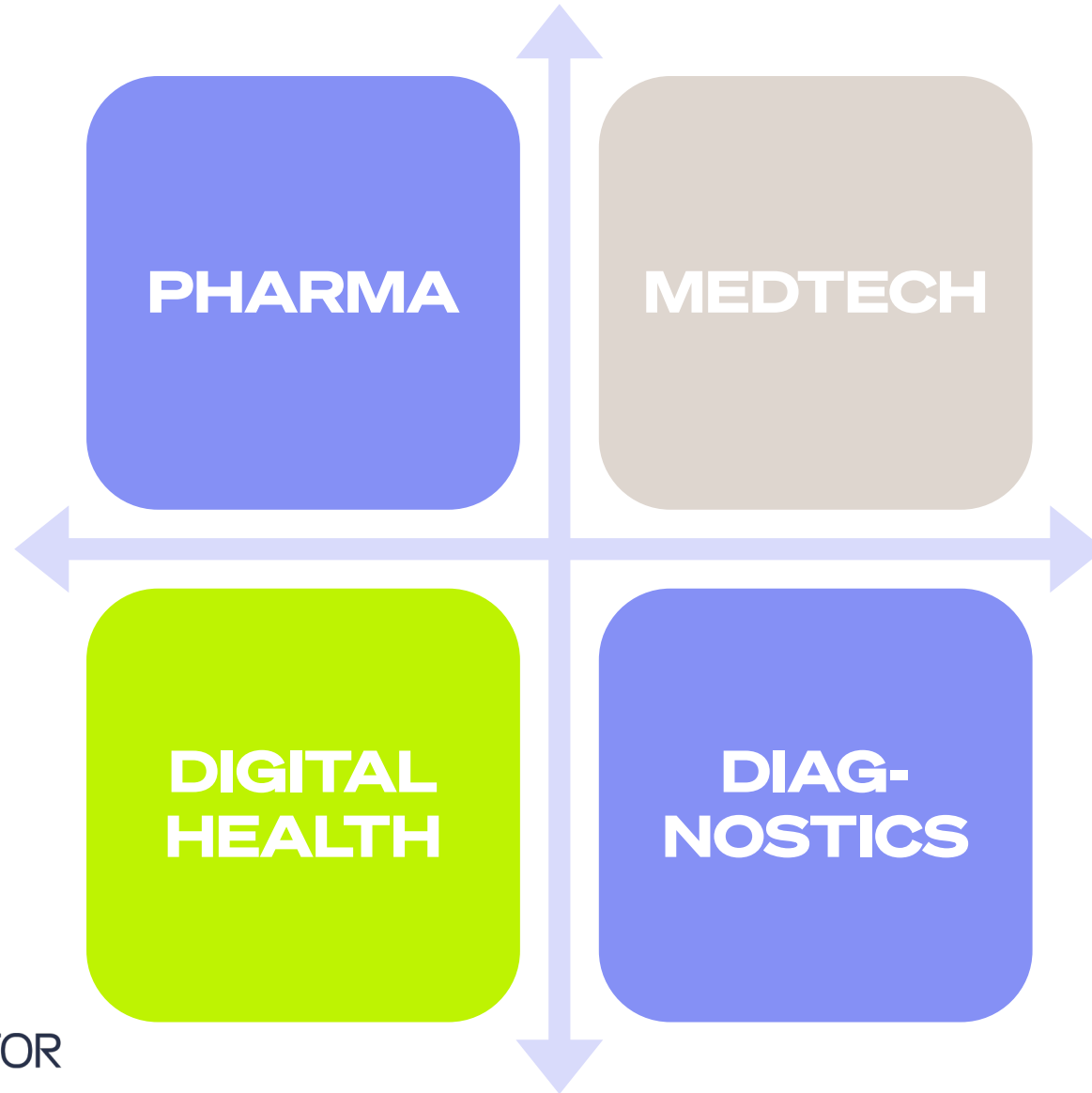
Pekka Simula, Partner

Innovestor Life Science

Innovestor Life Science briefly



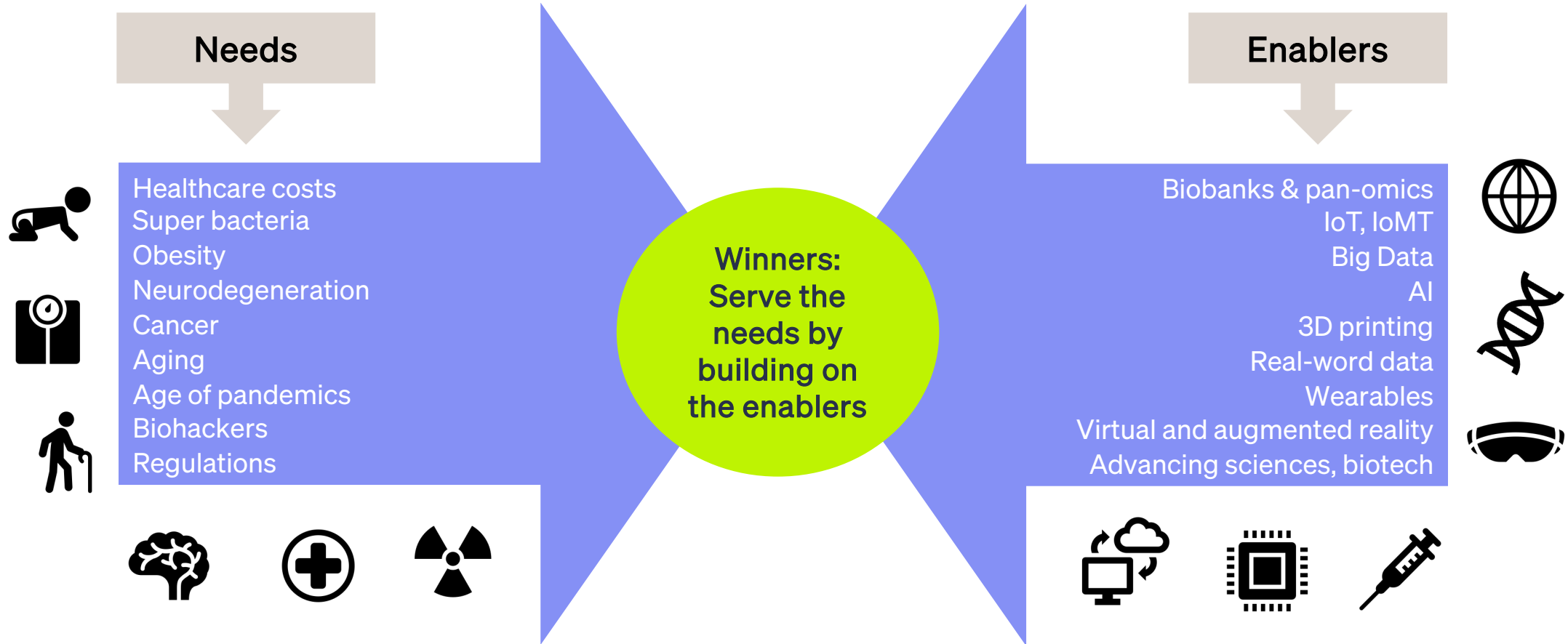
Diversity in health investments



Investors can diversify by...

- Indication
- Stage
- Risk (biologic/regulatory/biz)
- Novelty / regulatory path
- B2C/OTC vs professional
- Platform technologies
- Digital:
 - Therapeutic
 - Diagnostic
 - Data
 - Process
- Combinations
 - Companion diagnostics
 - Drug-device
 - Drug-app
- Services

...so pick your preferred megatrends



One investor can't know it all

Case ILS: Our focus

- Collaboration with academia; understanding spin-outs
- Ability to understand deep science
- Hands-on experience in early-stage drug development and digital health
- IPR expertise
- **Syndicating with investors who complement our expertise**

Implication: Syndicate!

- Combine the strengths and networks of several investors
- Learn from the best (investors, scientists, developers, board members...)
- Syndicating also enables creating strong teams executing optimal plans

Smart money vs smart-ass

- Do the people involved understand what they are talking about?
- Do I?
- Get a second opinion, expect it to differ from the first
- **When investing with others, make sure the main views are aligned**



FROM IDEA TO COMPANY ESTABLISHMENT

5/2022 How to Invest in Health and Life Sciences

Dr. Milla Koistinaho, Partner

Innovestor Life Science

Deal flow: Academia and startups



CREATE

Universities

- Life science projects based on leading science
- Strong business & IPR
- New companies co-created with university tech transfer offices
- Pre-seed: Invest up to €0.5M/company
- Sourcing through partners' extensive network in Finland (UH, UTU, UEF, TAU, JYU, ÅA, Oulu, A!)

10 startups created

≥ INNOVESTOR

10 startups accelerated

Best CREATE companies can become ACCELERATE companies

ACCELERATE

Start-ups

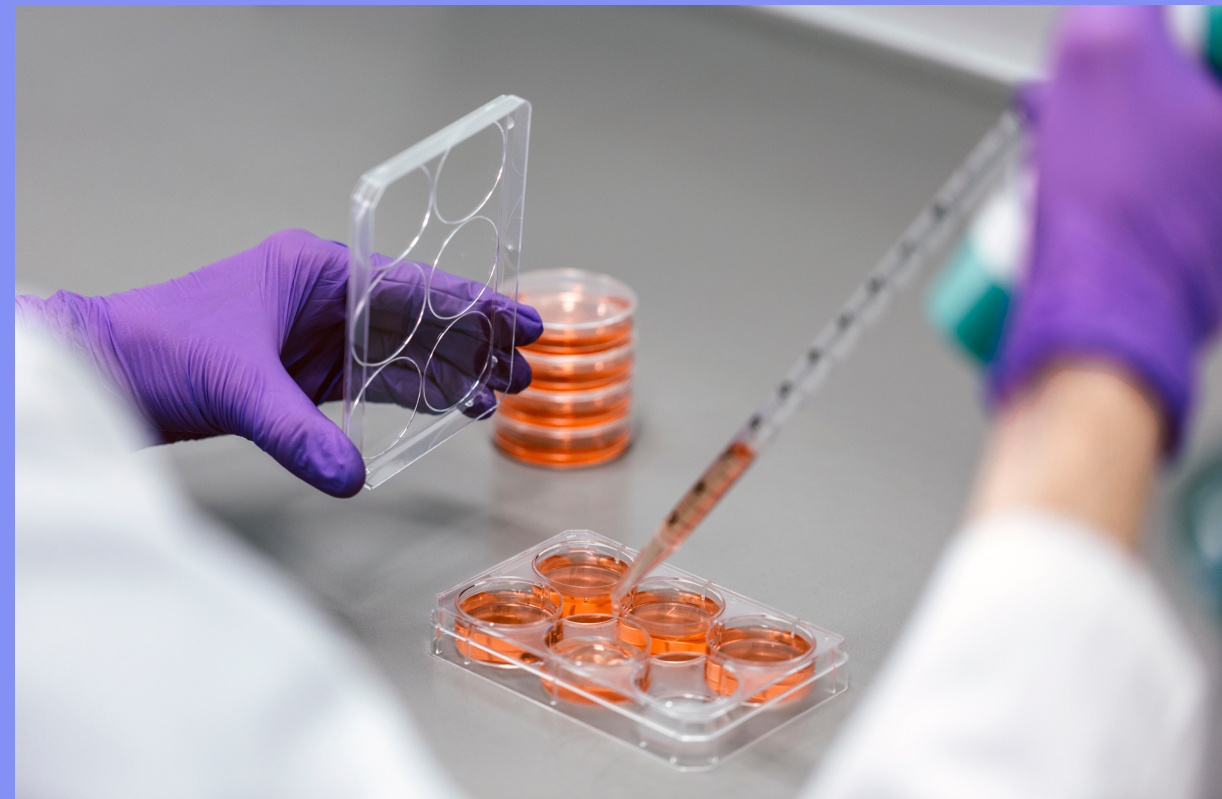
- Life science startups with strong business case & exit potential
- Pre-revenue, R&D centric companies
- Seed/Series A: Invest initially up to €4M per company
- Sourcing: Own CREATE companies; Innovestor deal flow in Finland, local ecosystems, partners' and Innovestor's extensive networks in Europe



Where do the commercialisable ideas come from?

Finland has developed a well functioning funding environment and ecosystem to promote innovation

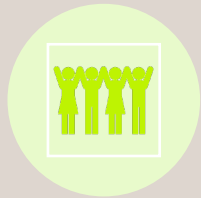
- RDI funding: Research to Business projects to mature scientific findings in academic institutions to business opportunities
 - >200 million EUR funding since 2012 > over 150 start ups
- Tools and ecosystem: Actions of the Health Sector Growth Strategy for Research and Innovation Activities and leveraging RWE
 - Biobanks
 - National registers
 - FinnGen
 - Centers incl. cancer, neuro, genome drug development
- Need based approaches to develop targeted solutions
 - Biodesign
- Better incentives for researchers still needed



Role of University TTOs

1. Raising awareness on inventions and commercialization possibilities among researchers
2. Coaching the research teams to mature their ideas and inventions towards commercializable assets. Utilisation of public funding instruments.
3. Safeguarding the IPR protection of assets and making sure the IPR ownership transfers are made correctly
 1. Radical vs incremental innovations
4. Coordinating the activities related to spin out company formation and negotiations of technology transfer and licensing agreements
5. Developing and maintaining connections to investors to help fundraising in pre-seed rounds

Investing in University spin outs



The team: motivation, career plans, coachability



The development plans and timelines



Regulatory paths



Relationship with the inventor's research lab, access to follow-on inventions vs. state aid legislation



Strength of the IPR and publication pressures



Real market need of the solution, health economic assessments

Contact us



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THANK YOU!

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