



**THUJA CAPITAL**  
healthcare **investors**

**How to make a deal with an Investor**

**Lifescience@work event**

**JUNE, 2010**



# THUJA CAPITAL

Independent Life Science Venture Capital Firm

Uniquely focused on the Dutch speaking part of  
Benelux

Investing in Life Science Innovations



# AGENDA

- Benelux situation

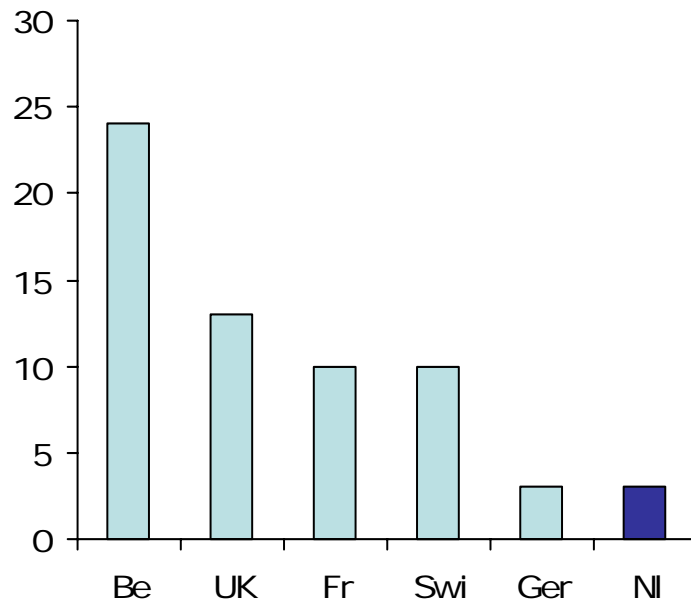
- How to get money
- How do VC's work
- Appendix



# DUTCH BIOTECH COMPANIES LACK CASH ...

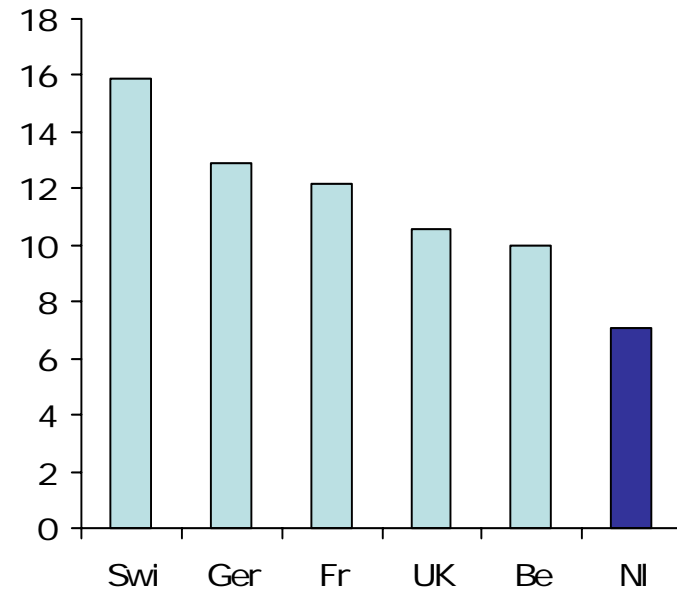
## Only few biotech companies funded by VC

% of companies VC-funded



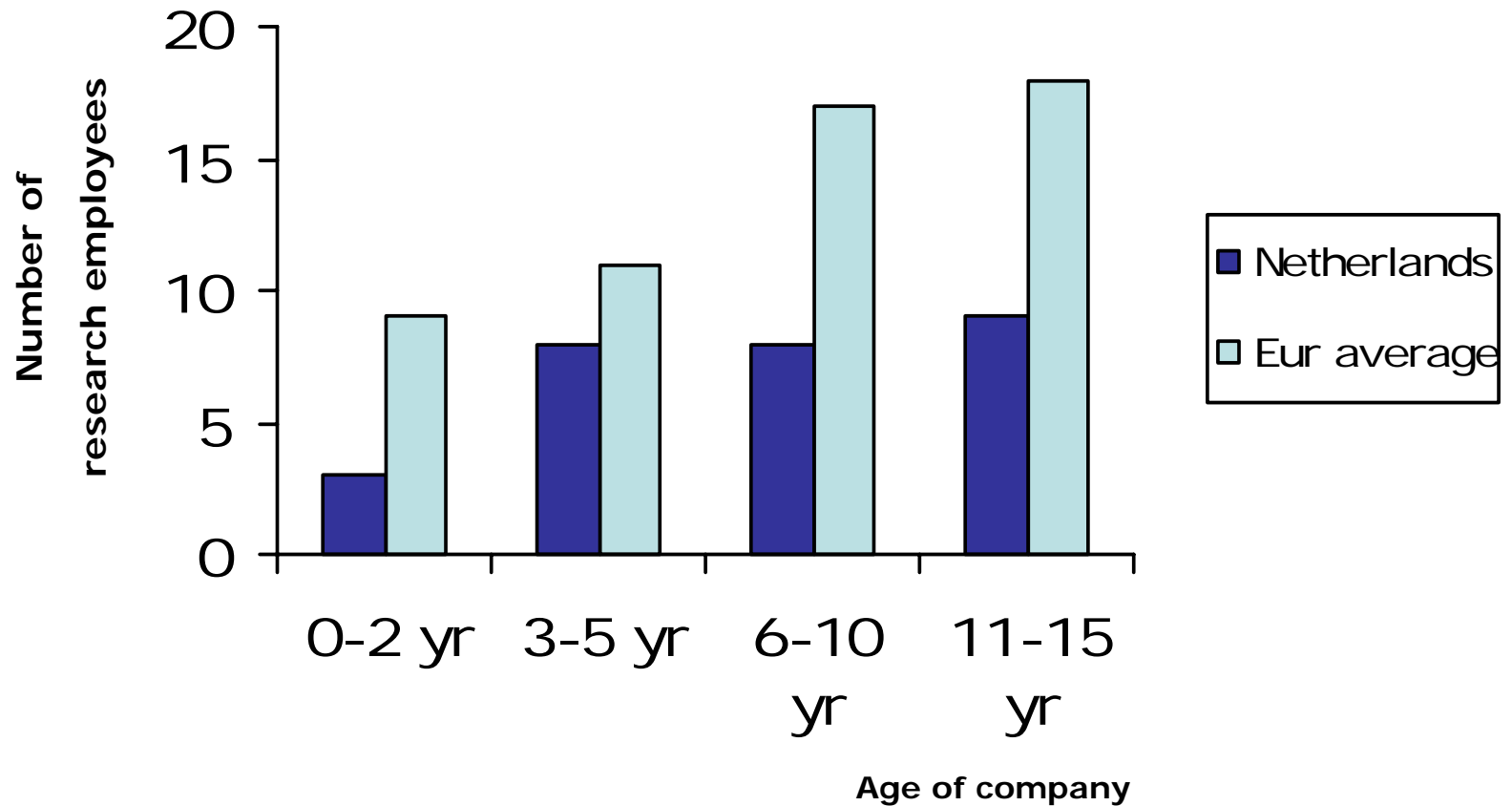
## Low amount of VC money per round (mio €)

Average VC round (mio €)



## ...SO THEY CAN HARDLY GROW

Research size per life stage of company



# AGENDA

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- How to get money (to start/grow your business)

- How do VC's work

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# SUMMARY

- Fund raising is part of life for an entrepreneur
- You only get money if you can generate a return
- It's difficult to get money
- You only get one change to leave a first impression
  - Prepare well
  - And keep the dialogue open



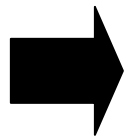
# DO YOU NEED EXTERNAL MONEY FOR GROWTH?

NO

- Great, continue as planned

YES

- Where to get it from
  - Non-dilutive
    - Subsidies/grants
    - Loans/debt financing
    - Joint development/customers/revenue!!!!!!!!
  - Dilutive (equity)
    - VC's
    - Informal's
    - FFF (friends, family and fools)
- How big is your cash requirement?
  - Cash flow forecast, return perspective (risk/reward-ratio)?

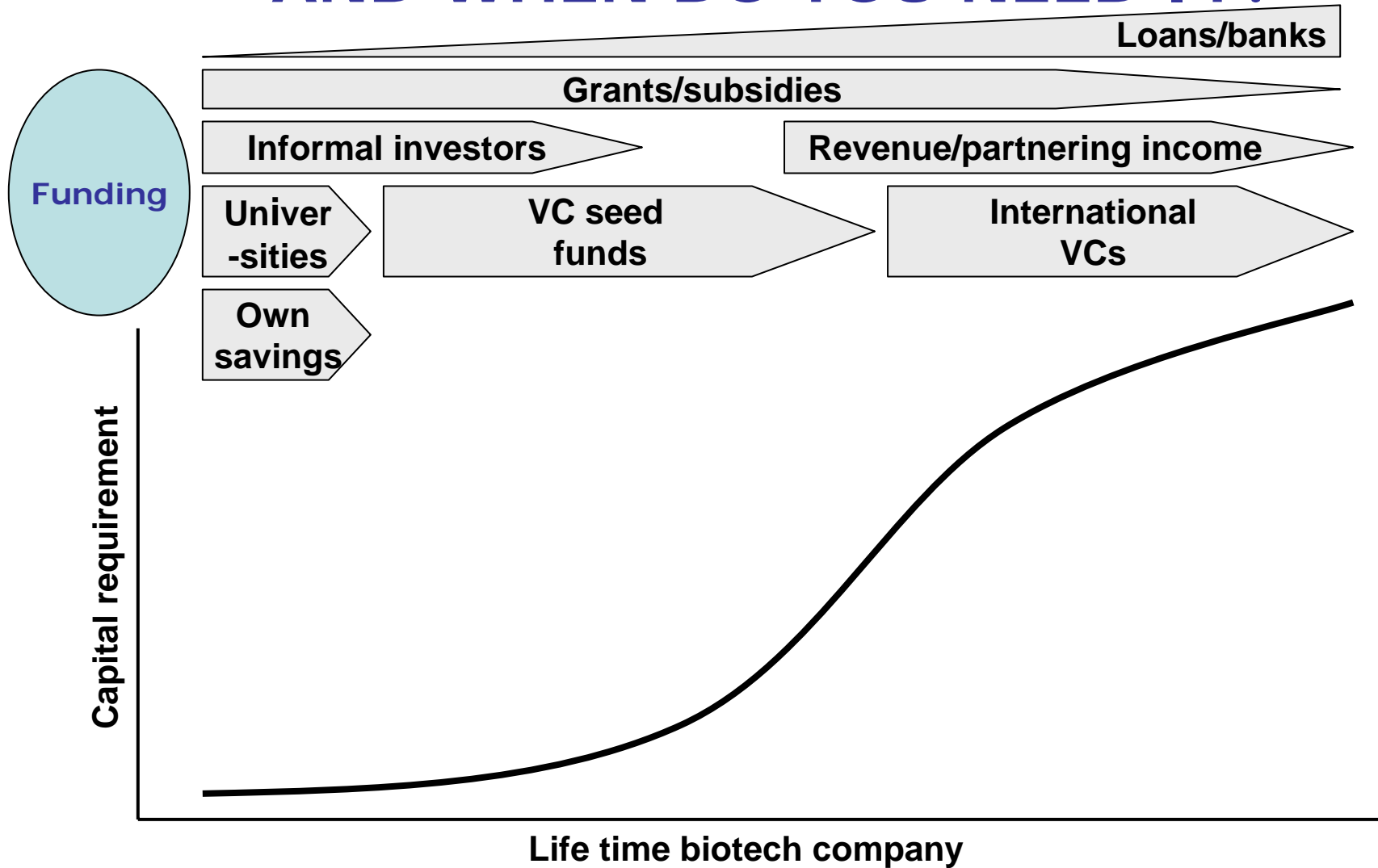


**Are you able to create value?**

And are you willing to share ownership and governance



# AND WHEN DO YOU NEED IT?



# MONEY COMES AT A COST

	Internal	External financing			
		Loans	Informal's	VC	Grants
Independence	● ● ●	● ● ●	● ○ ○	○ ○ ○	● ● ●
Risks (spread of..)	○ ○ ○	● ● ○	● ● ●	● ● ●	● ○ ○
Fiscal (taxes)	● ○ ○	● ○ ○	○ ○ ○	○ ○ ○	● ○ ○
Added value	○ ○ ○	○ ○ ○	● ● ○	● ● ●	○ ○ ○
Costs	● ● ○	● ● ●	● ○ ○	● ○ ○	○ ○ ○
Repayment requirements	● ○ ○	● ● ●	● ● ●	● ● ●	● ○ ○



# It is difficult to get VC money

- The competition is fierce
  - An average VC receives 100 - 1000 business plans annually
  - and invest in 2-6 companies a year
- There is a flight to quality..
  - All the boxes need to be ticked
    - management
    - science/product
    - market potential
    - realistic valuation (terms & conditions)
    - etc
- ... and the best are getting the money
  - at average companies raise < \$ 10 mln each
  - the top tier companies raise > \$ 50 mln each



# What are VC's looking for and what shouldn't you do

## What are VC's looking for ...

- Understandable business concept (the idea)
- Clear product or service offering
- Realistic value proposition
  - well defined customer need/market
  - realistic pricing/value
- Team capable to implement plan
  - people
  - technology
  - timing

## ... and what shouldn't you do

- Don't over-promise (and under-deliver)
  - The only way isn't up
- Underestimate the competition and overestimate the market
  - My product is unique
  - Let me build it and "they" will buy it
- Valuation too high



# WHAT SHOULD YOU LOOK FOR IN A VC?

- Network
- Experience
- Sounding board
- A person you like to work with
  
- .... And Cash

 A VC (syndicate) can make or break your company



# FIRST RULES IN BIOTECH

- Raise money when you can get it, not when you need it
  - And as much as you can get
- Never fall in love
  - reward good data and punish bad data
- Early success is not a guarantee
- Polygamy is your friend



..... And Be FLEXIBLE



# AGENDA

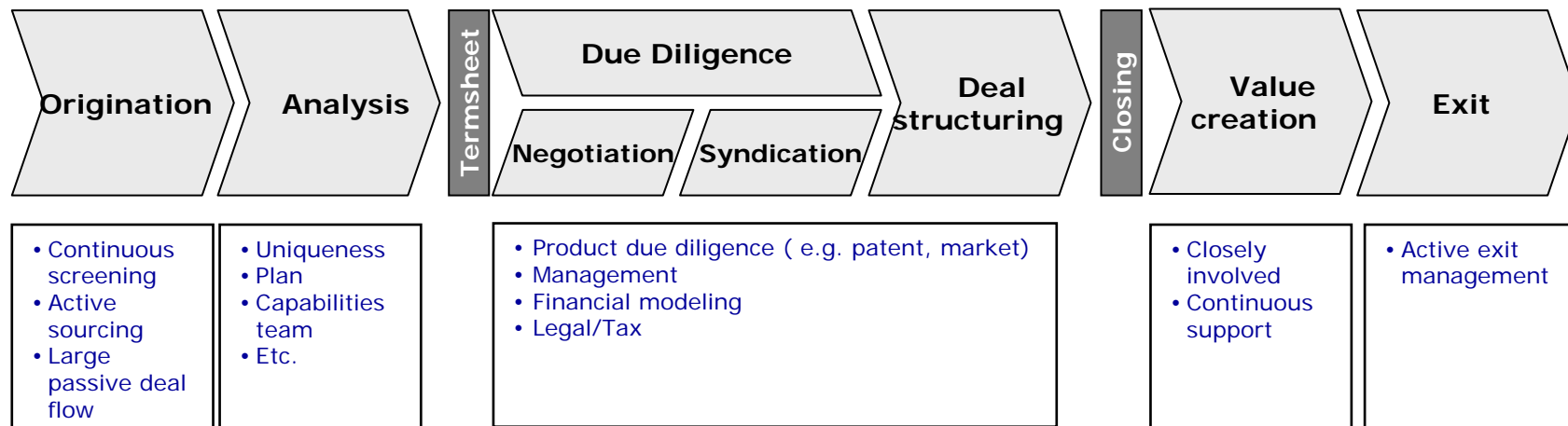
- Private Equity
- Why is Life Science VC interesting
- Benelux situation
- How to get money

- How do VC's work

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# INVESTMENT PROCESS: IT'S ABOUT SELECTION, VALUE CREATION AND...



# AGENDA

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- Why is Life Science VC interesting
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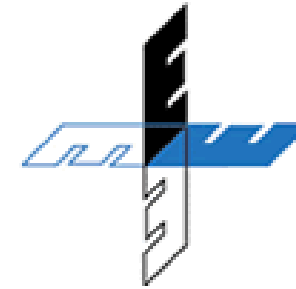
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## 2008-TODAY INVESTMENTS



# REMAINING ALPINVEST PORTFOLIO UNDER MANAGEMENT



# PORTFOLIO EXITED



# CONTACT DETAILS AND DISCLAIMER

Thuja Capital  
Yalelaan 40  
3584 CM Utrecht  
The Netherlands

Tel : +31 (0)30 253 9898

Fax: +31 (0)30 253 9969

[www.thujacapital.com](http://www.thujacapital.com)

Email: [harrold.van.barlingen@thujacapital.com](mailto:harrold.van.barlingen@thujacapital.com)

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