Driving Innovation And Strategic Excellence in the Life Sciences

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### Our Practice Areas Are Dedicated To Serving The Business Development Community

#### Our Practice

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<th>Outsourced Licensing</th>
<th>Consulting</th>
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<td>We run complete in-licensing and out-licensing processes, utilizing a suite of approaches to maximize the probability of licensing success.</td>
<td>We consult to BD&amp;L teams by providing due diligence support, valuation, second opinions, and process audits.</td>
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Our Consulting Practice

We Focus On What Matters Most To Senior Management And Their Investors

- Product Development
- Intellectual Property
- Market Opportunity Assessments

We advise on product development and commercial opportunities.

- Product In- and Out-Licensing
- Product and Company Fund Raising
- Due diligence support for investors

We source and assess novel technologies, or find partners for our clients’ innovations.

- Interim and Full Time Management
- Turn Around Situations
- Temporary Management Support

We execute company turn arounds, or provide interim management services.
Our Outreach Framework

Whether In- or Out-Licensing, We Utilize Multiple Channels For Maximizing Communication

- **Passive Marketing** – Individual pages on LacertaBio.com marketed via LinkedIn and other digital channels
- **Databases** – Past conferences, MedTrack...
- **Active Outreach** – Calls to companies with expressed interest in therapeutic area or asset, plus newsletter with 3000+ recipients
- **Conferences** – Representation at Biotech Showcase, BIO, and BIO Europe Fall included in fees
- **Client/Lacerta Bio Ideas** – Prior contacts and relationships and VCs
We Increase the Pace of BD Through a Completely Outsourced Approach

Executives Want Faster BD Without Major Increases in Expenses. We Provide This Solution.

Situation
- Management needs to efficiently increase in- and out-licensing capabilities and deal flow
- Ample supply of experienced BD professionals available
- Demand for quality assets with attractive commercial potential and a clearly-defined risk profile has never been greater

Challenges
- Investors demand faster BD&L, distracting management from key operational tasks
- Hiring BD talent is expensive, risky, and time-consuming
- Need to emphasize commercial benefits and risks to prospective partners

Our Solution
- We provide the BD services needed, enabling management to focus on other areas of the business
- Outsourced BD led by independent, seasoned professionals
- Materials and processes emphasize commercial benefits to prospective partner, uncluttered by technical details
Consulting Case Study: Valuation For Licensing

### Situation
- Canadian pharmaceutical company with a Preclinical licensing opportunity
- Negotiating a licensing deal with a Chinese pharmaceutical company
- Need for China-specific market assessment, valuation, and deal analysis

### Challenges
- Reformulation of existing drug in a highly competitive, price-sensitive market
- Chinese company preferring transaction based on Sales, not Upfronts & Milestones
- Chinese healthcare system a mystery to many North Americans and Europeans

### Our Solution
- Emphasis of clinical benefits to new product, and resulting cost-savings
- On-the-ground analysts in China who understand local system
- Blend of US and Chinese data sources to arrive at reasonable valuation and deal terms

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**Our Global Reach Enables Lacerta Bio To Conduct Multinational Valuation Exercises**
Drug Delivery Licensing Presents Special Challenges

Our Experience at Penwest Remains Quite Relevant

### Situation
- Drug delivery technology companies frequently have a large portfolio of projects
- Range from ideas to full clinical programs
- Product license or approval often necessary to validate underlying technology

### Challenges
- Difficult to extract meaningful benefits or performance from old drugs
- Big Pharma companies usually eschew non-NCE product candidates
- Reimbursement can be a tremendous challenge without demonstrated head-to-head clinical benefits

### Our Solution
- Prioritization based on local competitive environments & superiority to generics
- Seek partners outside “Big Pharma” landscape, such as Asia and LatAm
- Focus on clinical benefits, not technical performance
Consulting: Analyses Help Focus BD Efforts

Our Approach Helps Focus Out-Licensing Efforts On Assets With Greatest Chance of Success

Asset Analysis
- Indications
- Data in hand
- Commercial Opportunity
- Development plan
- IP
- Competition

Partner Perspective
- Search for potential partners
- Examine their requirements
- Assess gaps in their pipeline or revenue forecasts

Decision
- YES - Asset is licensable and several potential partners identified
- NO - No obvious market for asset; deprioritize
- MAYBE - Asset has potential, but gaps exist, i.e., data gaps & further analysis

Deliverable is a report which:
- Prioritizes assets to focus out-licensing efforts
- Identifies prospective partners to target
- Provides information to help customize message to target company
Case Study: License-Ability and Prioritization

Situation
- Asian government research institute with 12 drug discovery programs
- Each with a library of novel drug candidates and initial preclinical data
- Institute initiated out-licensing effort to find corporate partners

Challenges
- Only one person responsible for out-licensing 12 programs
- Some NCEs were against established targets, some with on market products
- Lack of clear detailed communication in presentation materials

Our Solution
- We re-prioritized and focused efforts on 6 of the 12 programs
- Repositioned assets to geographies outside established markets
- Worked to revise all non-confidential and confidential data packages
BD Audits: What Happens When BD Is Not Successful?

We Can Audit Existing Efforts, Providing Real-World Advice Which May Lead To Superior Results

Commercial Assessments – What Can Go Wrong?
- Exaggerations or incorrect assumptions can quickly lead to BD failure
- Overestimation of reimbursement environment another problem
- We can identify areas that require revision of existing data

Outreach Process
- Are you attending the right conferences?
- Are you talking to the right people?
- Are your materials customized for your audiences?

BD Personnel & Skill Set
- Do you need lead generators when you only have closers?
- Is there a mismatch between your sales funnel and your organization?
- Are the right people with the right skills in place?
Database Searches Identify Products and Companies

MedTrack Is But One Tool In The Overall Search Process

- **MedTrack** can be used to identify individual technologies, products and companies
- Other databases used include those from past partnering conferences, partnering360, data.com, and others

Search for Early-Stage Assets and Technologies in Gastroenterology
Examples of Past & Current Consulting Clients

Projects Involved Licensing, Market Research, Due Diligence, & Other Topics
Team and Partners
Lacerta Bio Leadership – Carlos N. Velez

Nearly 20 Years Experience in Consulting and Business Development

• Founder and Managing Partner of Lacerta Bio (2010)
• Current and past clients include Tzamal (Israel), Panion (Sweden), Nevakar (USA), CombiGene (Sweden), Troikaa (India), KRICT (Korea), Cornerstone (USA), Almac (UK), University of Bath (UK), APJ Labs (India), Pfizer (USA)...
• Co-founder of Connexin Therapeutics, an ophthalmology drug development company currently raising a Seed/Series A round of financing.
• Previously the Chief Business Officer of Lantic Therapeutics (UK) until the passing of the scientific co-founder in 2012.
• Former Director of Business Development at Penwest Pharmaceuticals, where he was responsible for the out-licensing of 505(b)(2) programs developed internally, as well as the scouting and analysis of neurology in-licensing opportunities.
• Other previous employers include Forest Labs, Frankel Group (now Huron Consulting) and Genencor (now owned by Danisco).
• B.S. in Pharmacy from the Albany College of Pharmacy, a Ph.D. in Pharmacy from the University of North Carolina at Chapel Hill, and an MBA in Finance from the Rochester Institute of Technology.
Our Partnerships

We Partner With Experts Globally, On A Per-Project Basis, Improving Global Reach and Efficiency

Since 2010, London-based Egamid has facilitated various transactions across Europe, Asia, and North America.

With offices in Shanghai, Hong Kong, and Beijing, Lingmed offers a variety of partnering services and tools for the Asian markets.

Operates dual business model of consulting and company formation from offices in the US, Europe, and China.
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