

Corporate Funding is Agile

September 5, 2018

TDE



DEBIOPHARM INTERNATIONAL

Developing
& financing
innovative drugs



DEBIOPHARM RESEARCH & MANUFACTURING

Drug modeling,
formulation &
manufacturing



DEBIOPHARM INNOVATION FUND

Investing in
future patient
care



DEBIOPHARM INVESTMENT

Managing
the group's
assets



GENEPOC

Bringing the lab
to the patient

Investing in future patient care

- Strategic investment fund of the Debiopharm Group
- With an investment focus on :



Smart data



Diagnostics



Therapeutics

- In the areas of oncology and infectious disease

- **\$100m** invested in **12** companies since 2008
- We led **12/15** last rounds of financing
- Performance to date: **2 IPOs** and **18** products obtained FDA clearance or CE mark.



Smart data

BC Platforms

Kaiku
HEALTH

Diagnostics


BIOCARTIS

 GenePOC™

spinomix


Immunexpress


agendia®

 diagnoplex

Pharma

 **ABAC**
Therapeutics

Effimune



 **Eclosion**²
From Discovery to Patients

- Smart data, digital health companies
- Applications strongly focused on improving patient journey or drug development, with the help of big data, AI and digital tools
 - Patient monitoring
 - Clinical decision support systems
 - Digital therapeutics
 - Digital biomarkers
 - Digital patient recruitment, digital trials
 - Digital drug development tools
- In oncology or infectious disease areas or with an expansion potential into them
- Company should be in piloting or early commercial stage



Smart data investment scope

Series A, B and C

First bite \$ 1- 10 m

15-20% stake

Active board participation

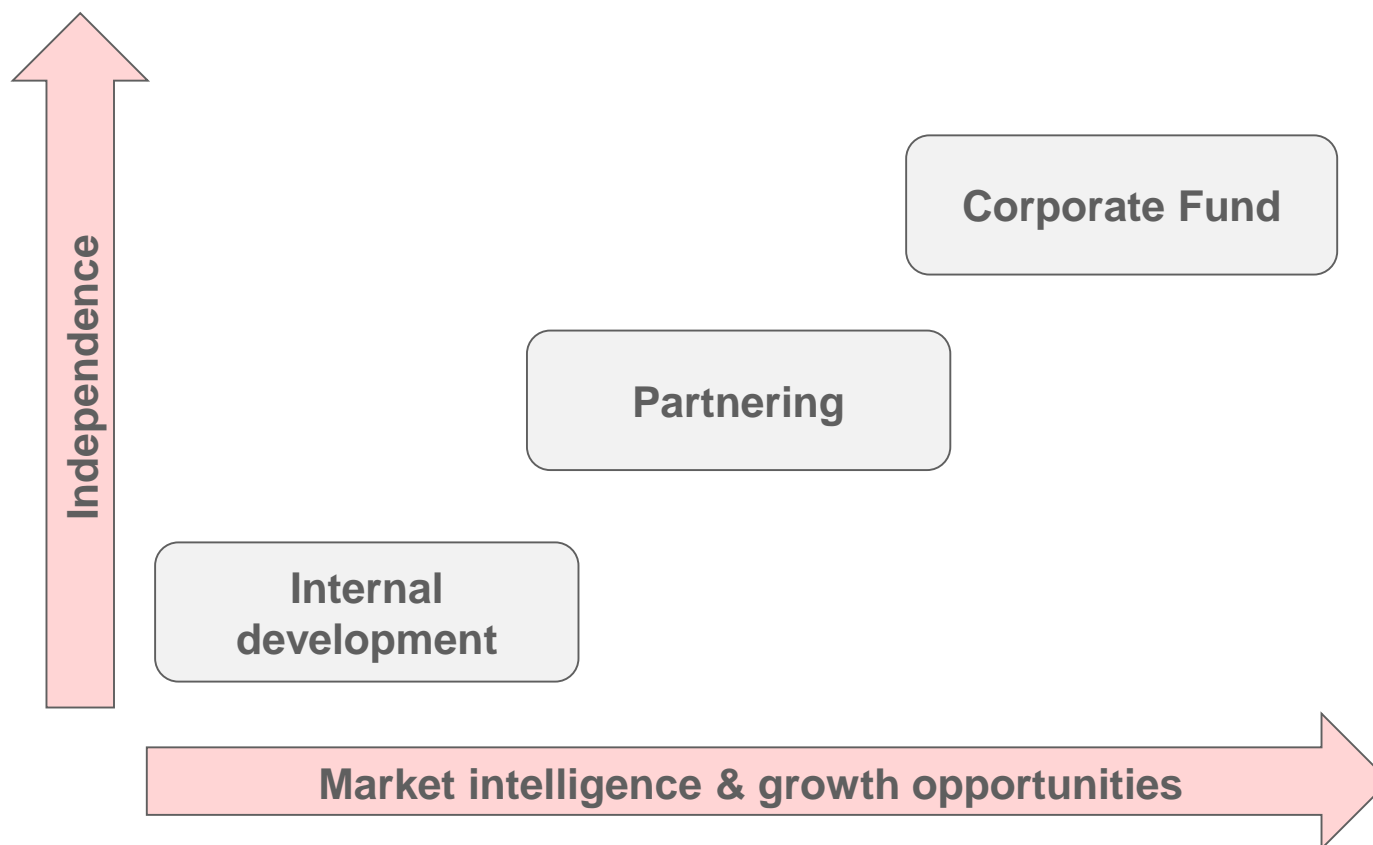
Corporate venture funding

Oh hi Jim – you're here too!



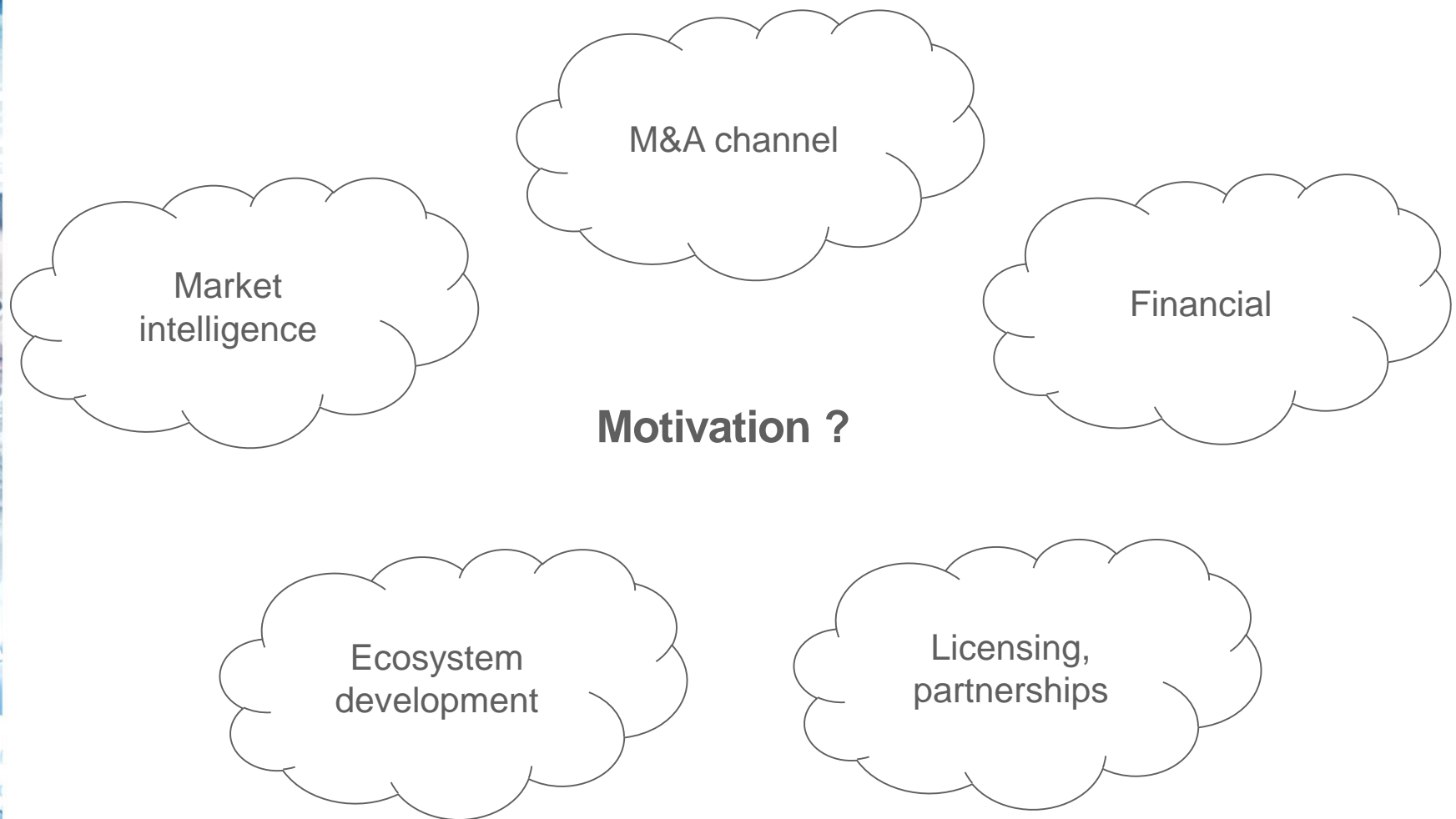
- Maintaining competitiveness as a mid-size pharma requires innovativeness and agility
- Flexible ways for collaborating with the outside world – in the past 12 months:
 - Licensing of preclinical asset from Almac Discovery
 - Acquisition of phase II asset from Immunogen
 - Option to license a novel radiotherapeutic from a research institute
 - Investment in ABAC Therapeutics

Corporate perspective Control vs. learning

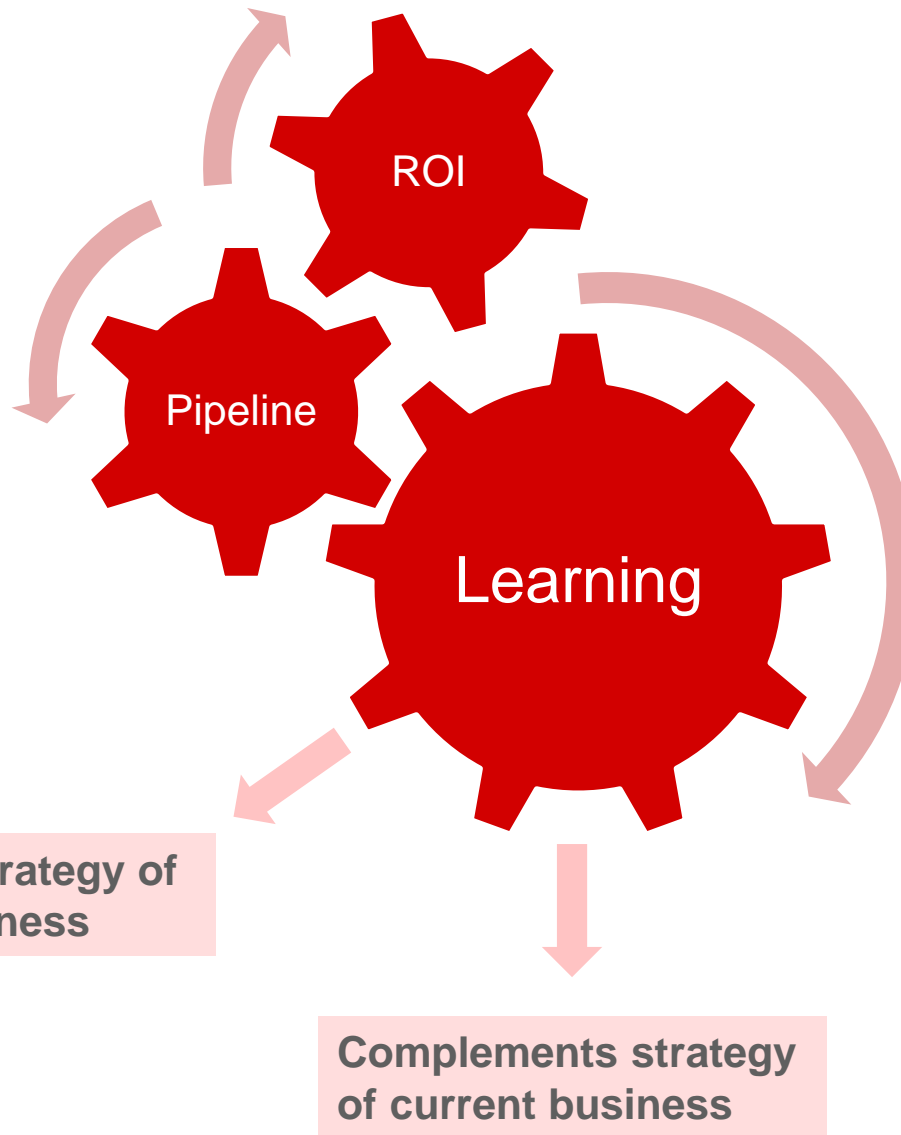


- 1) Not only money – value from expertise & resources
- 2) CVC's are patient investors, no timeline pressure from fund lifecycle
- 3) Especially in Europe, more corporate venture money than VC money available for early stage investments





Debiopharm Innovation Fund balance between strategic vs. financial goals



What about the Chinese wall?





Why do we need to be agile?

Trends

Market trends

- Patients are becoming better informed
- Patients are picking up a bigger share of the bill
- Demand for personalised medicine is increasing
- Patients want cures, not treatments
- The emerging markets are becoming more important

Health and healthcare trends

- The burden of – and bill for – chronic disease is soaring
- Healthcare payers are establishing treatment protocols
- Pay-for-performance is on the rise
- The boundaries between different forms of care are blurring
- Financial constraints on payers are increasing

Scientific and technological trends

- R&D is becoming more virtualised
- The research base is shifting to Asia
- Remote monitoring is improving rapidly

Implications

Pharma will need to go “beyond the medicine”

- Pharma will be paid for outcomes, not products
- Outcomes data will drive healthcare policy
- Prevention will gain a higher healthcare profile
- Pharma will need to offer “medicine-plus” packages of care
- Pharma will have to adopt more flexible pricing strategies

R&D will need to go beyond the lab

- Pharma will need access to outcomes data
- Pharma will have to work with technology vendors to virtualise R&D
- Pharma will need a wider, more multi-disciplinary skills base
- Pharma will need to expand its presence in Asia
- Pharma will need to demonstrate “real” value-for-money

The Pharma and healthcare value chains will become much more intertwined

- Pharma will have to work more closely with the regulators
- Pharma will have to collaborate with payers and providers to perform continuous trials
- Pharma will have to collaborate with numerous service providers to deliver packages of care

Business models based on collaboration

Change management: 1998 vs. 2018

1998: Bigger is better!

We were in the middle of intense M&A period

- Ciba-Geigy and Sandoz had just merged
- Astra and Zeneca, GlaxoWellcome and SmithKline Beecham were still separate companies.

We were having a time of our lives with blockbusters

- Lipitor and Plavix were just launched
- Abilify was still in development
- Small molecules for primary care was hot

Focus on USA and Europe

2018: Lean and mean!

Divesting to have better focus

- Exiting non-aligned portfolios
 - Asset-swapping
- ...or diversifying under one umbrella...

R&D productivity big topic

- R&D restructuring
- Narrow-scope acquisitions
- Partnerships
- Specialty and biologics are hot

Geographic expansion



Siri states that the world
will end in 2038.

© UberFacts 2015.

What is the added value we bring to companies

- 
- ✔ In-depth understanding of medical and health care industry
 - Deep pharma resources
 - Diagnostics and medtech markets
 - Regulatory policies
 - Health economics and reimbursement knowledge
 - Clinical sciences, oncology, infectious diseases
 - ✔ Experience in growing small companies
 - ✔ Long term value creation

We look forward to speaking with you!



Tanja Dowe
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INNOVATION FUND S.A.

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