



Boston Entrepreneurs' Network

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ATLAS VENTURE

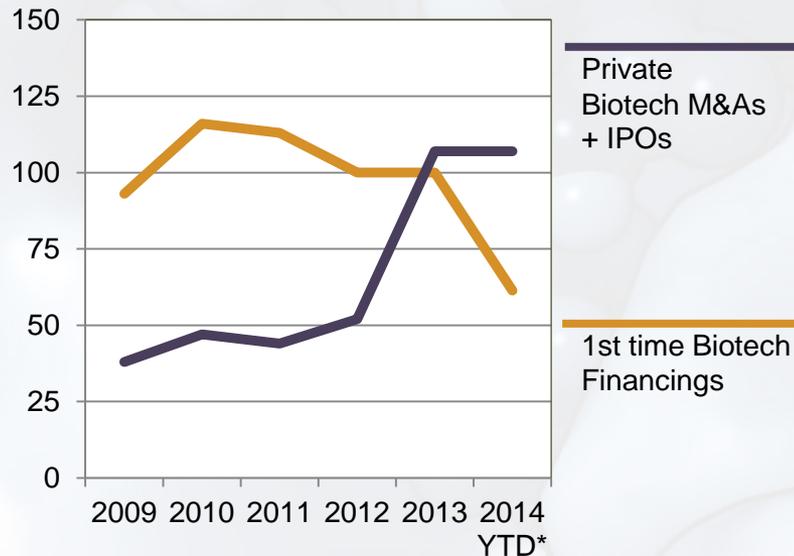
ATLAS VENTURE OVERVIEW

- >25 years of biotech investing, ~\$900M active assets under management in the life sciences, >40+ M&As/IPOs since 2000
- Biotech investor focused on seed-led venture creation: launching new high impact startups
- Create and invest in both big biology/discovery engines and asset-centric companies
- Sourcing globally, building companies predominantly in the Boston ecosystem
- Strong 5-person partnership and pool of talented Entrepreneurs-in-Residence & Venture Partners

INCREASED DEMAND FOR BIOTECH INNOVATION MEETS CONSTRAINED SUPPLY

PRIVATE BIOTECH SUPPLY & DEMAND

NewCo Financings & Exits



DEMAND for innovative biotech is unsurpassed

- ❑ IPOs unprecedented
- ❑ M&As robust, increasing Pharma externalization
- ❑ Virtuous cycle of capital inflows & recycling

SUPPLY remains heavily constrained

- ❑ Innovation translation gap
- ❑ Few early-stage VCs with NewCo creation track record
- ❑ Limited access to bio-entrepreneur talent

Record-breaking IPOs and M&A, yet 1st-time biotech financings steady declining

Evolving supply/demand dynamics drive value at the ecosystem's most constrained node:
Innovative NewCo formation & growth alongside world-class entrepreneurs

WHAT WE LOOK FOR IN NEW INVESTMENTS

Great Science “In God we trust, all others bring data”

Big Innovation Differentiated clinical profile and tractable development path

Experienced Team Veterans with scars: Executional and judgmental credibility, realistic expectations/planning

Capital Efficiency Appropriate equity burn, stage-gated to meaningful inflections

Defensible IP Both FTO, patentability

Realistic Exit Path Have (or are likely to generate) pharma/biotech interest, emerging or established area

WHAT YOU SHOULD LOOK FOR IN INVESTORS

Integrity and Trust Remember you're building something together.
Deals are short; careers are long

Track Record with Entrepreneurs Talk to the CEOs / Founders in their portfolio companies; Do they add value? Create too much entropy?
You need supportive investors - this is hard, most start ups fail!

People You Like Life is short, even more so in the stressful environment of a start up

Alignment Make sure you are all on the same page, especially about the time, cost, and No-Go decisions in your plan

Direct Feedback Are you getting straight answers?

A few words of wisdom

- Should we do this?
 - Is this a company or just a cool science experiment?
 - Good teams can save bad companies; and bad teams can kill good drugs
- How should we do this?
 - The plan is nothing, planning is everything
 - Good drugs declare themselves early
 - Know when you are asymptotically approaching ‘not quite good enough’
 - Don’t fear the killer experiment
- Being a great founder
 - Beware of Founder’s Disease
 - Have realistic expectations about your ownership – but don’t be afraid of being aggressive
 - “Most of the smartest people work for someone else” – Bill Joy

Food for thought if your goal is to discover a drug...



“People don’t want a one centimeter drill, they want a one centimeter hole.”

Professor Ted Levitt, Harvard Business School, 1946



Most people don’t want CD, tape or vinyl record collections; they want to listen to music

In 2003, Apple introduced the iPod and in just three years, the iPod/iTunes combination became a nearly \$10 billion product, accounting for almost 50% of Apple’s revenue.



Patients and doctors don’t want more drugs and devices, they want better outcomes

Innovation produces better results, not just added technology