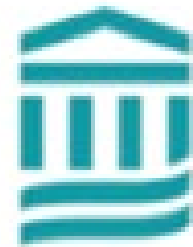


# The Path Forward After COVID-19 for Life Science Companies

Carl Berke Jul 14, 2020



**Mass General Brigham**  
Ventures



# PARTNERS INNOVATION FUND II, LP

## •Executive Summary

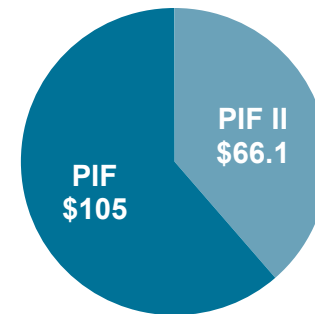
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- Established in 2016
- Invests in parallel with Partners Innovation Fund, LLC
- Focused on accelerating breakthrough technologies in health care
- Three exits, including IPO on 4/8/20
- 20 investments as of 5/31/20
- Significant progress towards achieving clinical milestones

**\$171M**  
capital under management

Portfolio:

**20** cos **3** exits



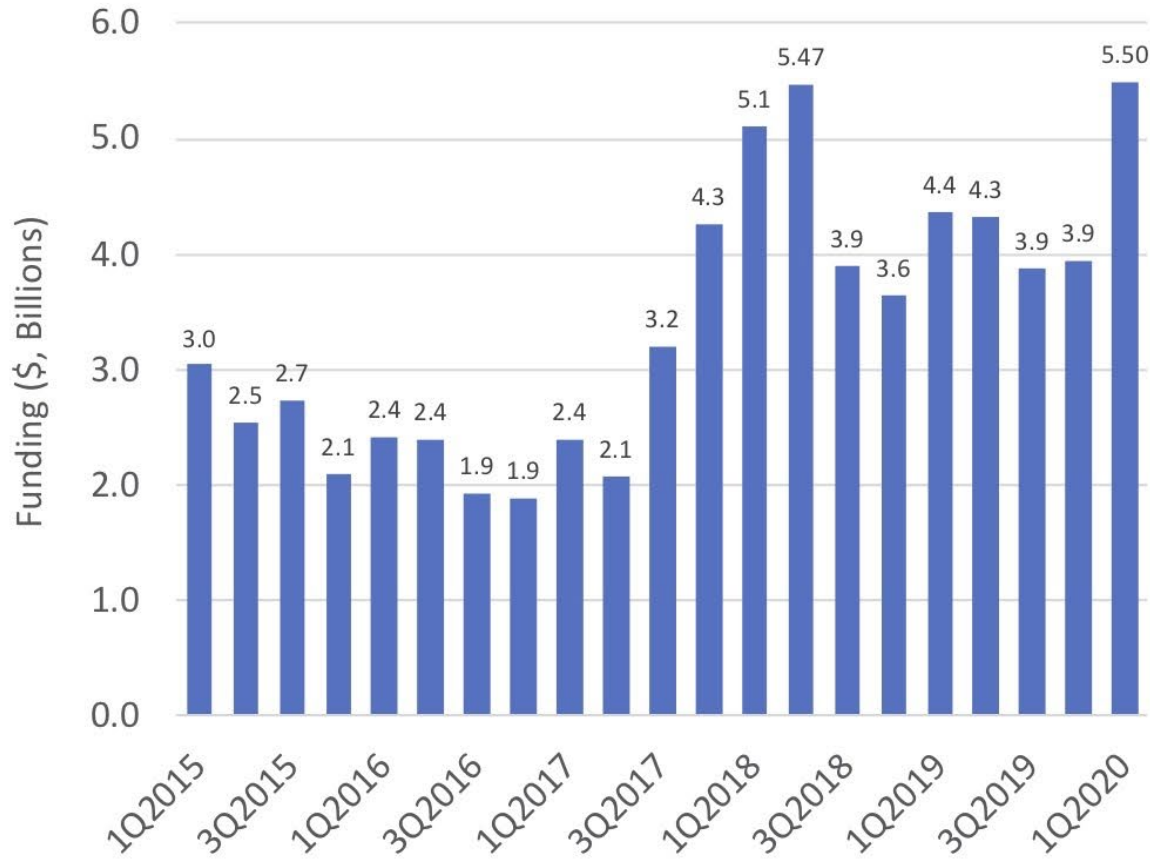
**30.2%**  
internal rate of return

# Life Science VC Investment Trend is Unabated



# 2020 is Trending.....UP !

## U.S. BioPharma Quarterly Venture Capital Funding

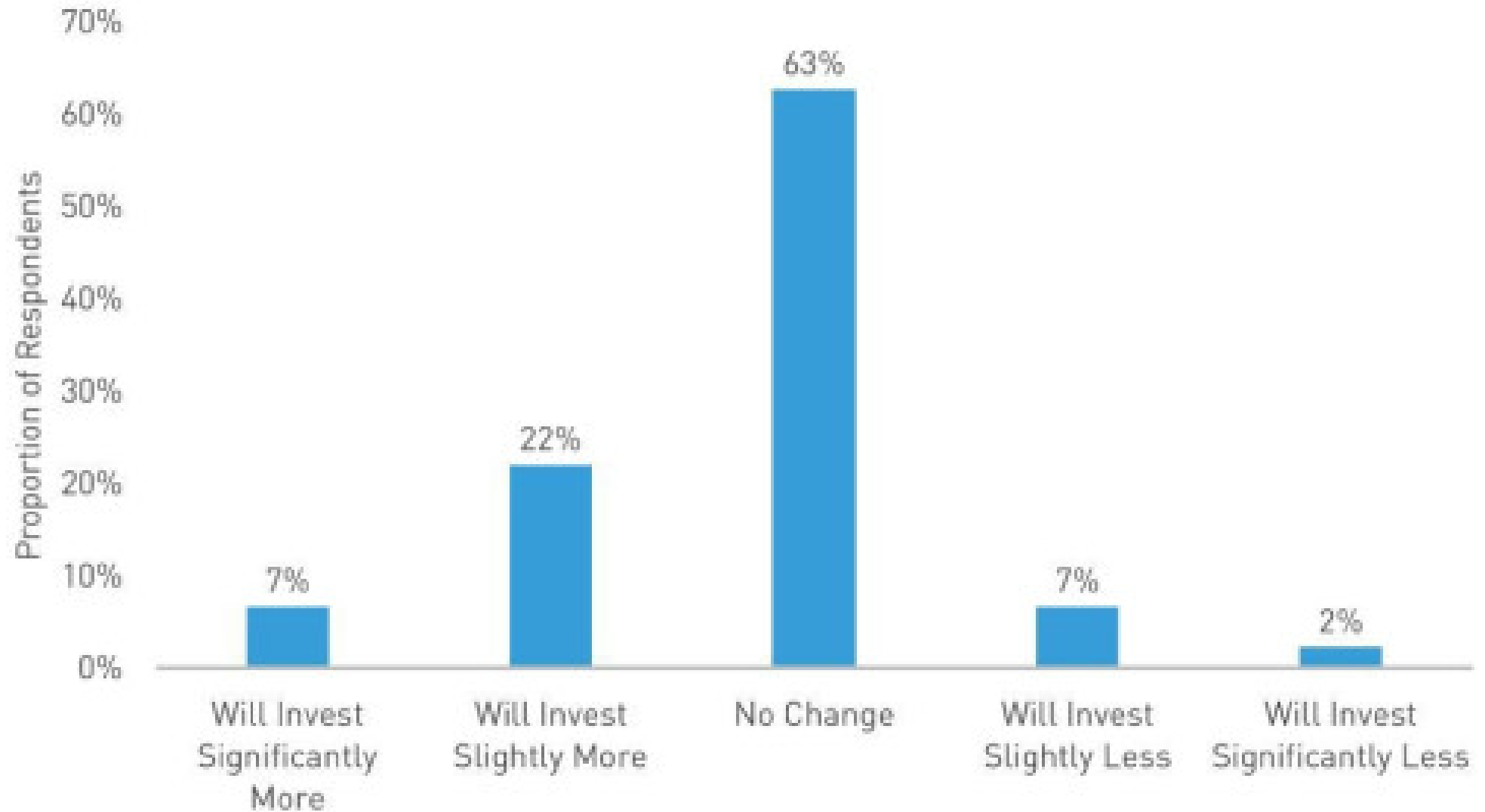


## Average Round Size U.S. BioPharma VC



Source: Pitchbook, data cut as of 4/7/2020

## Investor Views on the Long-Term Impact of COVID-19 on Their Future Alternative Investments Strategy



Source: Flare Capital | Prequin Insights

# Observations

- IPO and M&A market very strong for life science
- Big new megaround financings
- Large new funds announced
- Clinical trials are interrupted
- Funds are rebalancing to increase reserves and extend portfolio company runways
- Hospitals are in serious financial crisis due to loss of elective procedures volume
- Value based care offers steady premium vs fee-for-service model

# Tailwind for Digital Health

- Telemedicine has been historically resisted by providers and payors.
- Necessity is the mother of invention: Mass General Brigham went from 1% to 85% virtual visit
- Payors are reimbursing for virtual visits
- New Priorities:    patient engagement                    *virtual visit platforms*  
                                 patient access    *minimize barriers*  
                                 home monitoring    *appropriate instrumentation*

# Beware the Covid Industrial Complex



**1. Ready! 2. Fire! 3. Aim!**

- Gusher of desperation funding through poorly administered programs
- NIH RADx Initiative
- Respirator gold rush
- Vaccine programs may yield most sustainable value - Manhattan Project of public-private partnership



# Never Let a Good Crisis Go To Waste

