



ENET – Seeding with Angels

November 6, 2018

Background of the Speaker: Jennifer Davagian

- Transitioned into the biotech field over 10 years ago with no education, training or background
- Cristcot is the 3rd company for Ms Davagian
- Developed and branded a product that NO ONE wants to buy... and yet, they are buying
- Named inventor on drug, device and manufacturing patents
- Expert in FDA regulations and navigating regulatory pathways
- Today Cristcot specializes in drug development and drug delivery platforms; the first Rx drug is entering Phase 3 trial for induction of remission of ulcerative colitis

Cristcot Company Highlights

- Innovative pharmaceutical company with a patented suppository drug delivery platform utilizing the 505(b)(2) regulatory pathway targeting formulations with:
 - High volume and low competitive landscape
 - Ability to use the proprietary formulation and platform technology to revitalize old, but trusted pharmaceuticals thus leading to *EXTENSIVE* pipeline opportunity
 - Relatively similar efficacy but lower dosages or improved shelf life
- Developed a hydrocortisone acetate (HCA) suppository therapy for ulcerative colitis (UC) and hemorrhoids
 - Patented suppository formulation + patented platform applicator technology
 - Entering Phase 3 Trial in 2018 with over 40 investigational sites already recruited
- Second pipeline drug identified requires NO clinical trials and would be an ANDA filing
- Strong intellectual property; device utility, formulation, drug release profile, testing methods and manufacturing patents issued and pending around the world extending through 2029-2036

Attracting Investors to the opportunity

Our Challenge:

Selling a product that NO one wants to buy



When the investment is hard to explain in 2 sentences

- Develop a language to talk about that which is uncomfortable
- Articulate the problem such that it can affect anyone, including the investor or their family
- End with highlighting the biggest milestone achievement - for Cristcot, in the early stages of attracting Angel investors, the biggest highlight was the fact that I was alive and living a quality life

Ask for help and guidance, not investment

A brief telephone call, an in-person meeting – ask for help

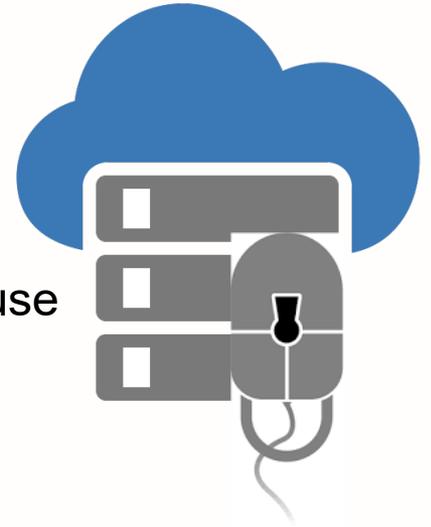
- The most successful investment opportunities came about when we were asking for advice in decision making for a negotiation of a deal, a financial decision or hiring decision
- Share the story of the company in a logical, practiced way, mention the fundraising at the end of the presentation
- Share Company key points of struggle or challenge at the moment and ask for advice

Prepare for Diligence

1. Clean up the mess, both electronically and paper



2. Prepare a comprehensive Non-Confidential collection of data and use a controlled electronic data room



3. Hold only the highest Confidential data until there is a commitment to invest or a signed CDA



Successful Fundraising Strategies

Always...

- Be genuine and honest
- Say thank you for time and advice
- Keep connected, if it makes sense

Never...

- Say that no other Company/person is doing what your Company is doing
- Argue about the advice given (it's not worth your time)
- Immediately ask for CDA or investment or introductions

How to be selective

If you are in the enviable position to choose the investors for your company, select with care

Share a meal – observe how they interact with the servers and the others who may be present

Ask for references - speak to other entrepreneurs who have investment through the individual or group of investors

If the investor is to join the company Board (which is customary for lead investors) be detailed in your expectations of their participation – how many meetings, how will expenses be handled, the compensation structure – you will learn a lot about the person through this discussion

After the Investment

Keep strong lines of communication

- Maintain a consistent schedule of investor updates
(at least every quarter, and keep documented via email)
- Share the bad news, as well as the good
- Hold a minimum of 1 Company investor meeting per year
- Be responsive to financial document requests (24-48 hours)
- When you plan a follow-on investment round – prepare your current investors by notifying them **WELL IN ADVANCE**
- When negotiating the terms of a subsequent round, negotiate hard to maintain the liquidation and preferences of the early investors

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