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Xpedite London Healthcare Innovations Seed Fund I

Dr. David C. Chilvers
Chief Executive

10th November 2009

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What is NHSIL?

- An Innovations Management & Medical Product Development Company
- Management & commercialisation of innovations & intellectual property (IP) for 70 London NHS Trusts (>100 hospitals)
- Team of nearly 30 industry professionals
- Services >170,000 NHS staff in London
- Funding: >£2.1m/annum (DIUS, LDA, DH)

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Purpose and Function

- To build Innovation/IP awareness in Trusts
- To find & evaluate IP from the Trusts
- To protect & manage IP for the Trusts
- To assist & fund technology development
- To commercialize technology & products
- To disseminate service improvements having patient and HE benefits

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What are we really doing?

- Improving patient well-being, faster
- Converting research into products
- Generating revenues for inventors
- Generating revenues for NHS Trusts
- De-risking products for industry
- De-risking investments for VCs
- Contributing to London & UK economy

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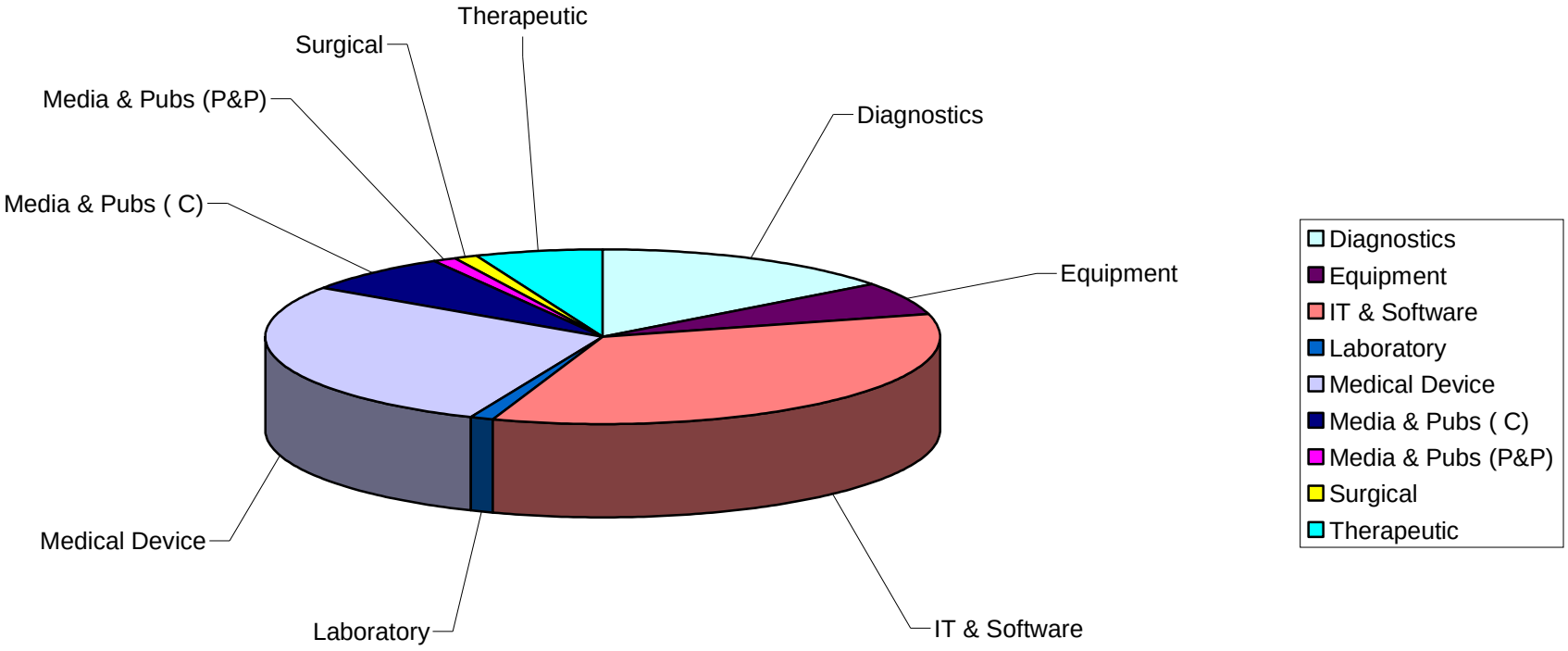
96 NHSIL Active Projects (Mar 2009)



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2008-09 Flow of Products to Market

- 32 products in development
- 4 products in clinical trials
- 6 patent applications
- 30 products in business development
- 13 new products put on market
- 24 licences
- 4 NewCo. opportunities

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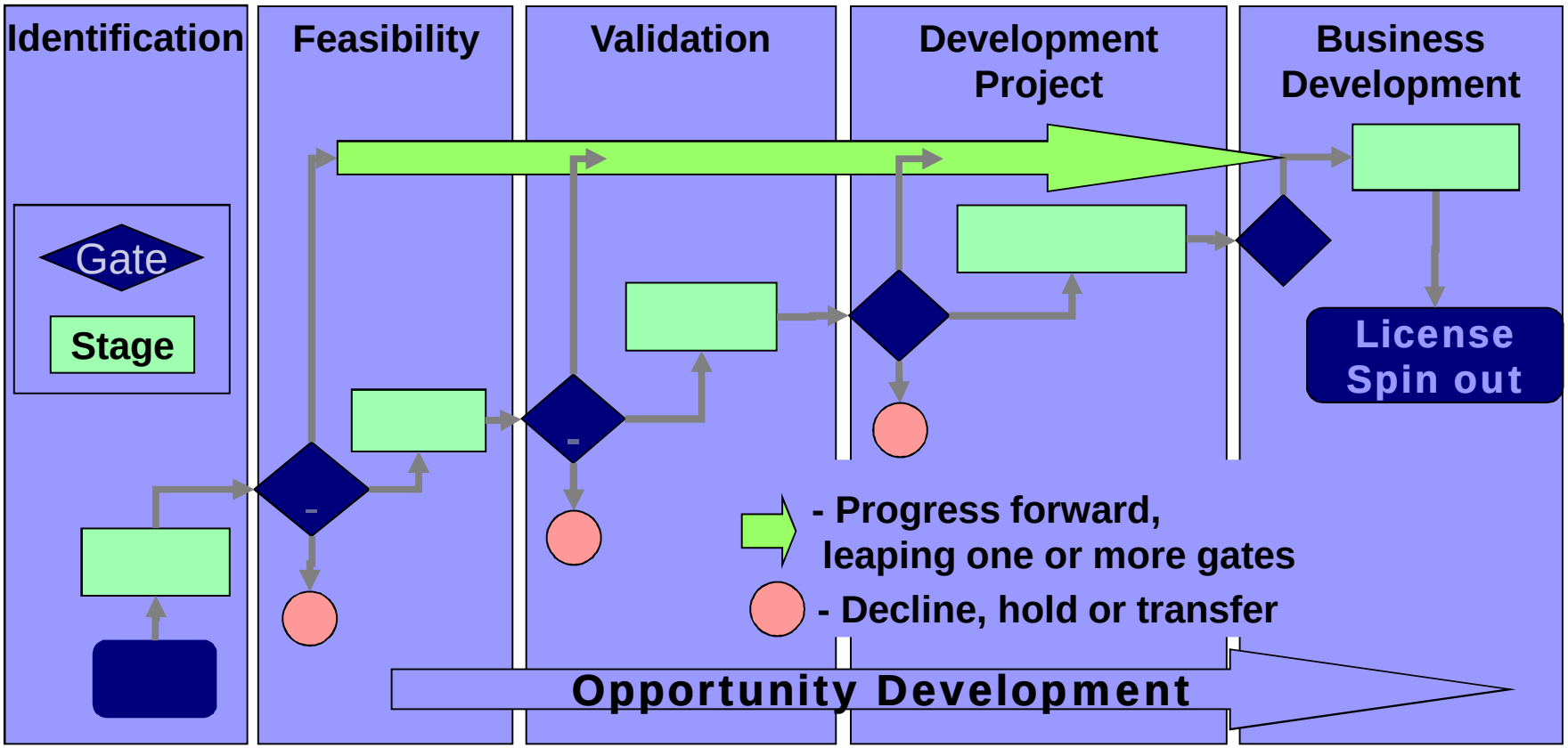

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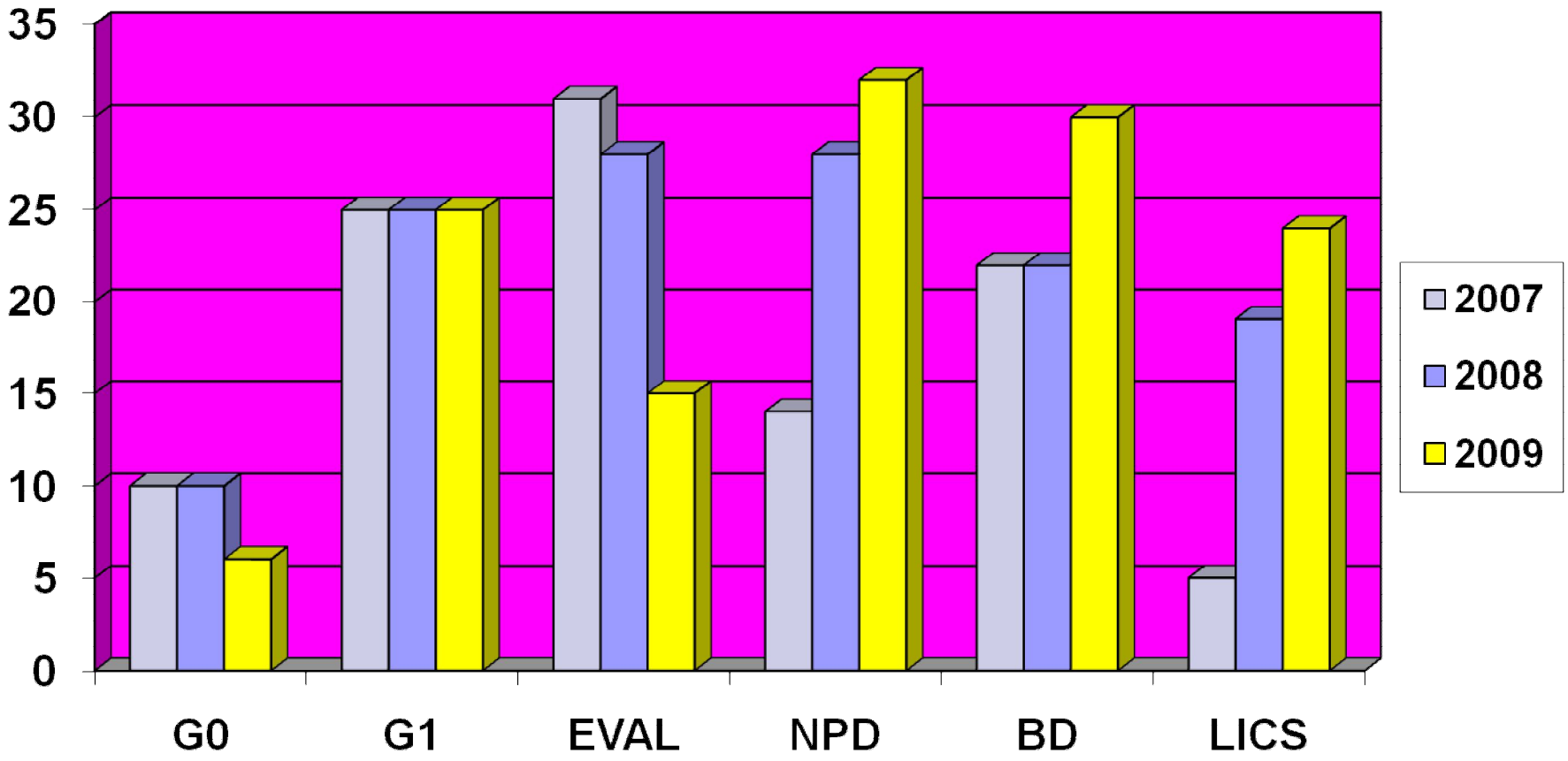
Growth in NPD & Licenses 06 to 09



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Process Performance

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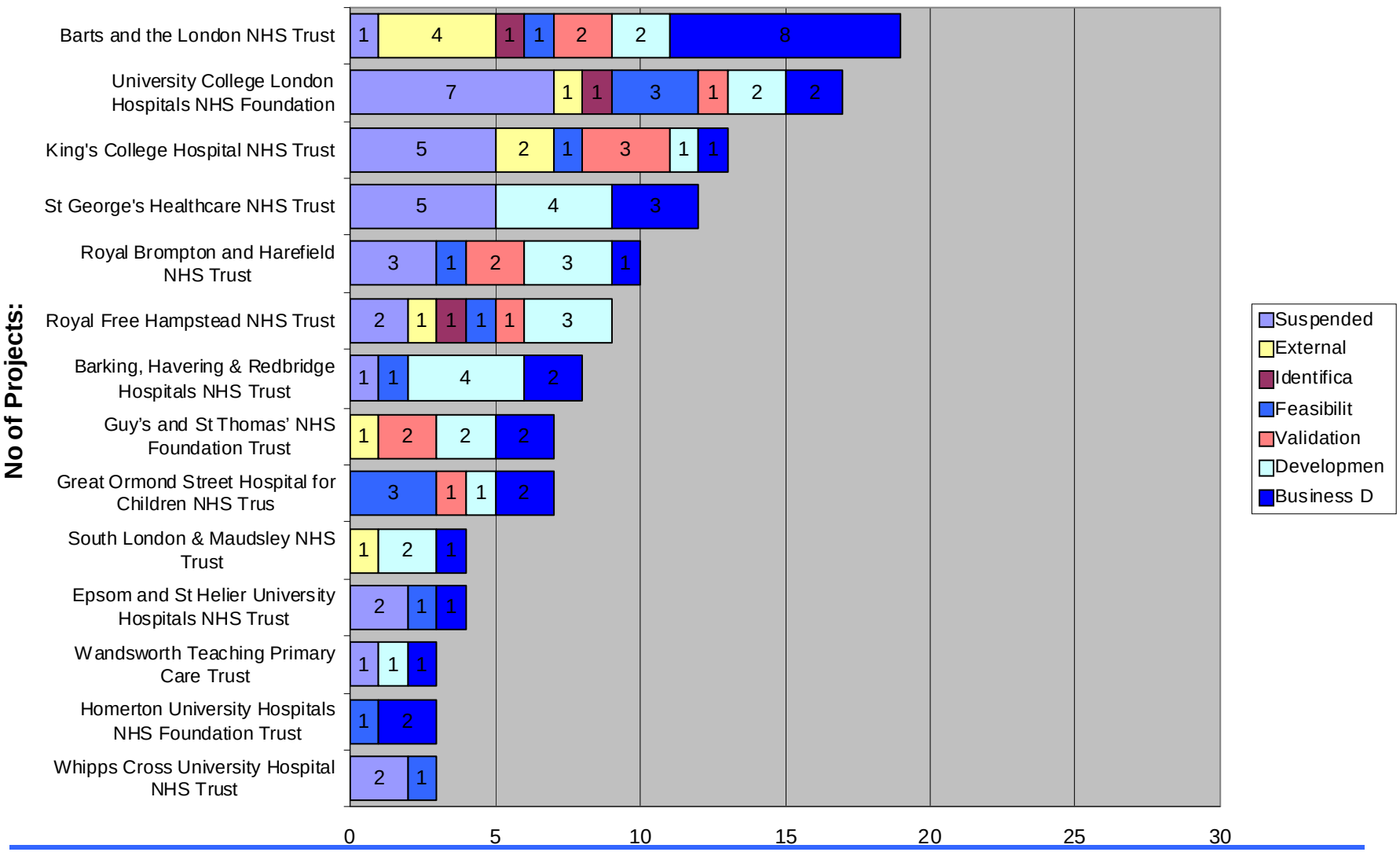
Project Status



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Importance of PoC Funds

- 2005-2007 £500k (PSRE2)
- 2007-2010 £1.2m (PSRE3/LDA)
- 2008-2009 plus £300k (NHSIL)
- 2009-2011 £600k (PSRE4)

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Product Development Fund 2009-11

- Therapeutics:

  Up to £100,000
- Diagnostics & Devices:

  Up to £50,000

  + potential 2nd tranche £50,000
- Others:

  Up to £50,000

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New Xpedite London Health Innovations Seed Fund

- Equity based Seed Fund (5 years)
- NHS London medical/healthcare start-ups
- BIS fund primer: £2 million from PSRE4
- Preliminary fund size £5m (grow to £8m)
- 4-6 Limited Partners
- Up to £500k investment (was £250k)
- Potential follow-on fund
- Potential syndication on larger deals
- Launch in Spring 2010

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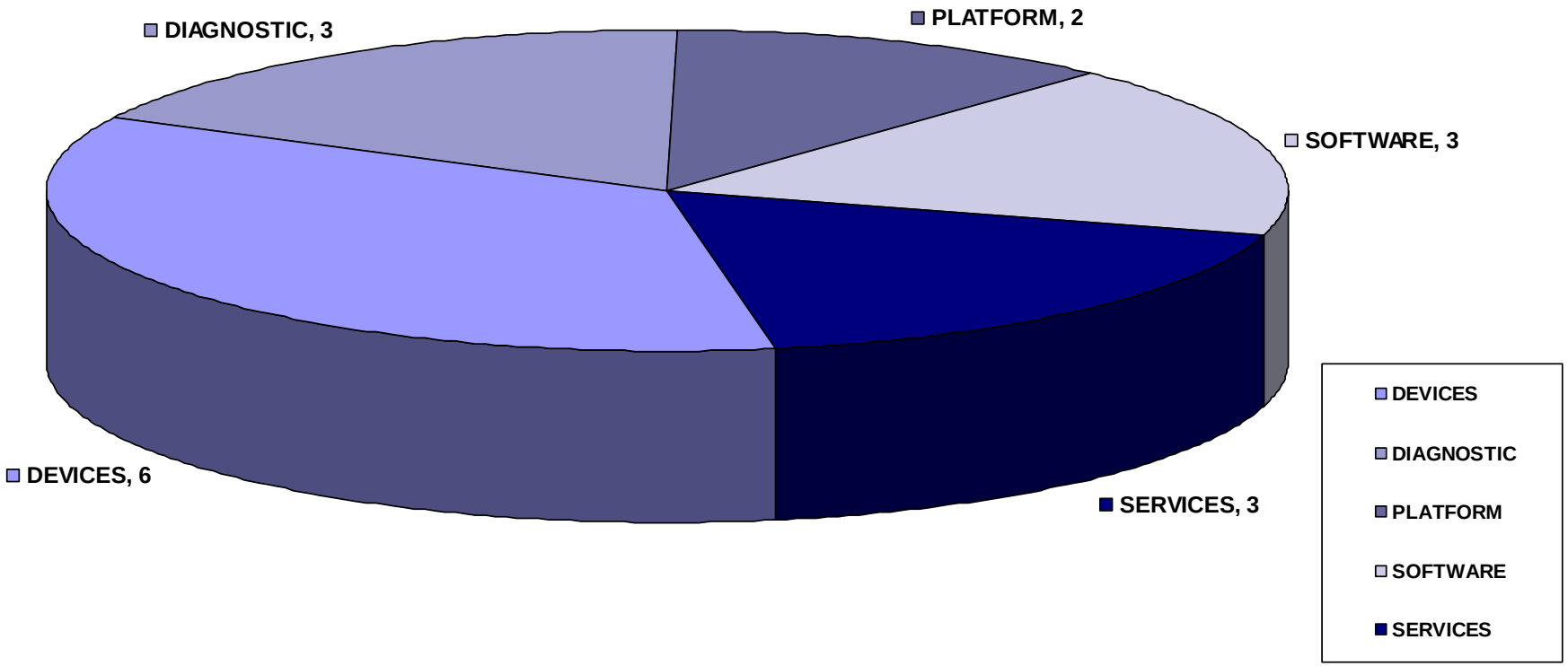
Investment Portfolio - Predicted Make up



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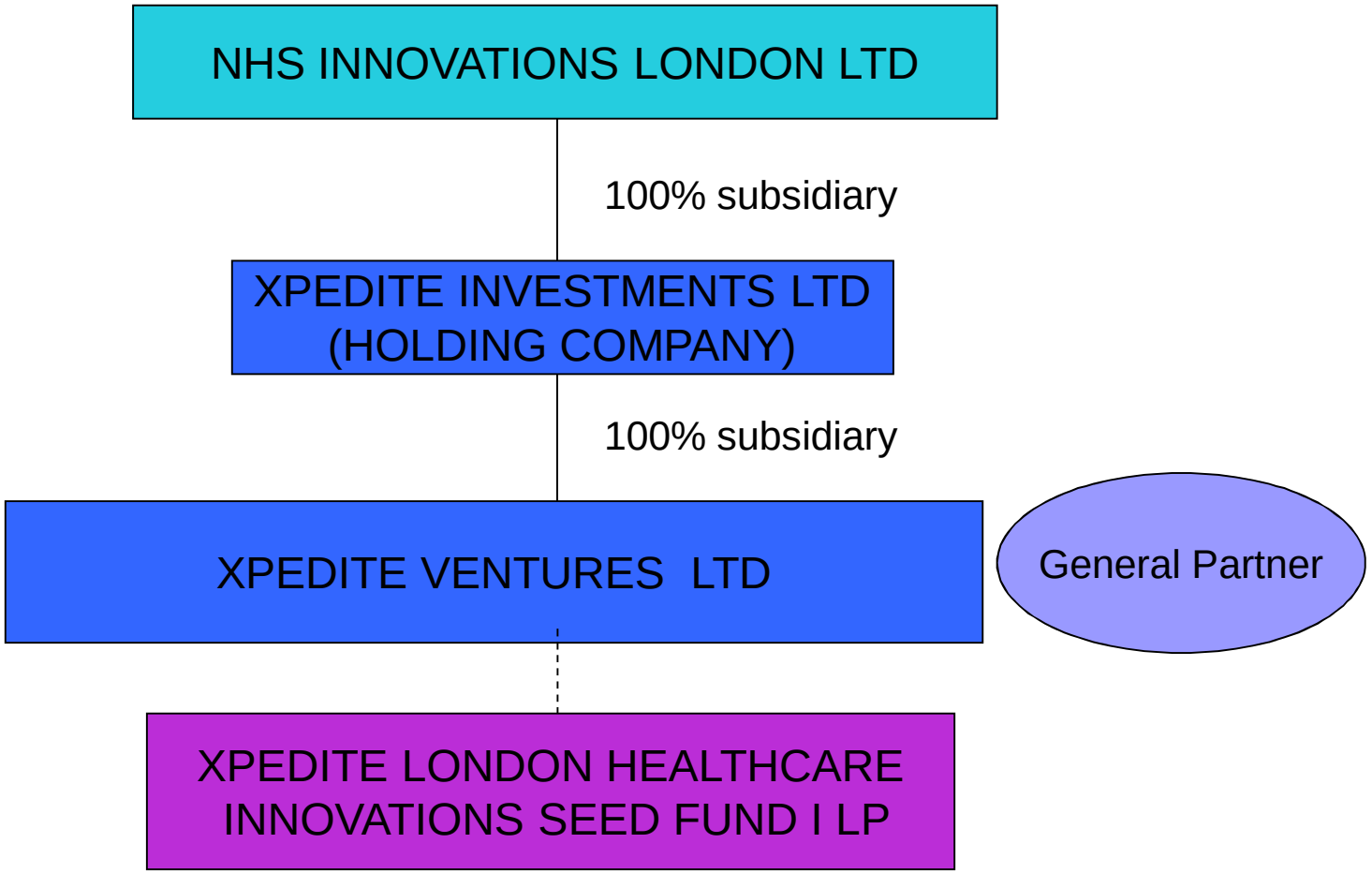
Fund Structure



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Fund Management

- *Fund Manager:*
  Starts 1 December (experienced fund manager, FSA qualified)
- *CEO of Xpedite Ventures Ltd.:* David Chilvers
- *Compliance/Reporting:* Archana Goel
- *Investment Committee:*
  VC – Medical Devices
  Investor – Healthcare
  Corporate Executive – Pharmaceutical
- Fund Advisors: *JP Morgan*

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Advisory Board to LP

- Chairman: Investment banker/VC
- Fund Manager (GP)
- Representatives of Limited Partners
- Medical Industry Executive
- NHS Trust Executive
- Lawyer

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ATcare - Assistive Technology Design & Development Centre

- Launched at House of Commons 5/3/08
- Keven Barron, Chair PHSC, Baroness Campbell, M. Reilly (LDA)
- >200 (45 Parliamentarians)
- Support from across the UK
- Paul Gambrell, COO/Technical Director
- LDA Funding: £2.35m over 3 years
- Opened early in October 2008
- Resolving market failure issues
- AT User/Carer driven NPD
- Technology solutions to unmet needs
- Assessment tools + consulting
- HE models/Pathways/Commissioning

at care
TRANSFORMING LIVES THROUGH TECHNOLOGY

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Transforming lives through technology

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ATcare Centre – Transforming Lives Through Technology

Getting AT Ideas and Products to Market

- Help in the **Design** and **Development** of new AT products
- Employ disabled users to provide **Advice** to researchers on new AT product development and **Assessment Tools**
- Provide **Health Economics Data**
- Provide **Regulatory Assistance**
- Improve **Care Pathways** and commissioning of products and services
- Establish **Distribution Channels** for AT products

***DAISY** – Dynamic Assistive Information System*

FES ROWING MACHINE

***INDEPENDENT** – Music Box*

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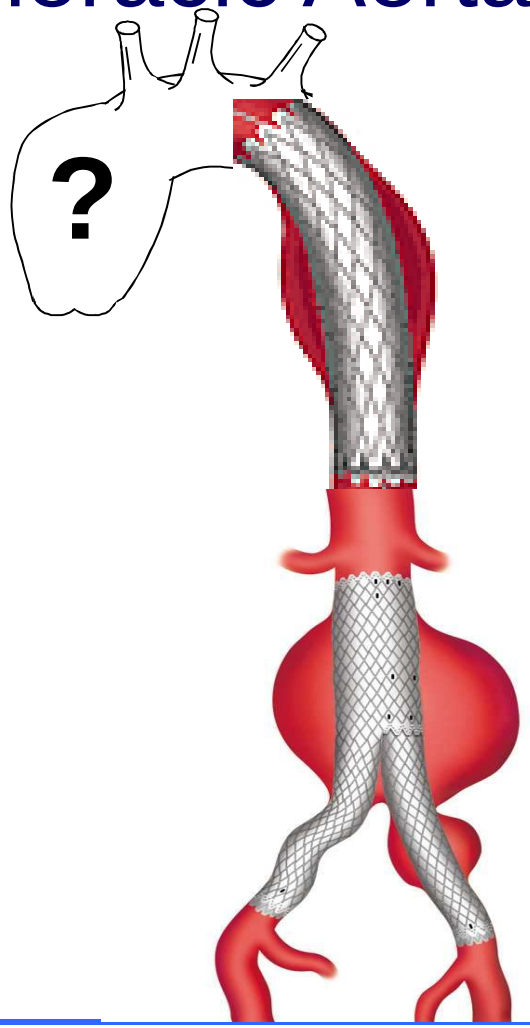
Ascending Thoracic Aorta Graft (ATAG)

Currently surgically treated.

Unaddressed global market of $1000million.



Global Market $600million

Global Market $1billion

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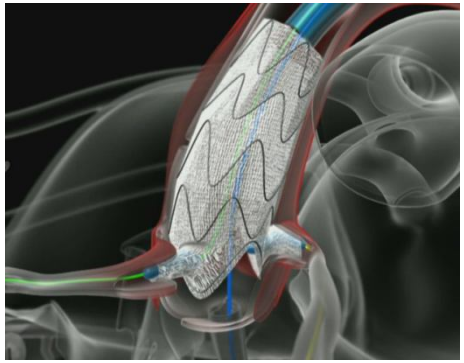
PERQTECH™



- Interventional cardiology company
- Founder Professor Martin Rothman
- First product: Ascending Thoracic Aorta Graft
- 30,000 patients per annum
- $20-40k per device
- Humanitarian approval
- $600 - $1000 million untapped market
- Currently raising $30 million in 3 tranches
- Comparable exit values ($100m-$1.3b)

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Percutaneous Implantable Cardiovascular Support (PICS) - Congestive Heart Failure Device

- 3 million CHF patients in USA
- 400,000 new patients each year
- Evidence shows that supporting the heart function after CHF prolongs life (50%)
- Current Left Ventricular Assist Devices - significant problems (size, infections, clots)
- Potential for 100,000 LVADs per annum
- Unit price $75,000

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Transplantation Patients – Reducing Dependency on Immuno-suppressants

- Use of the body's own defence mechanisms to "mask" a foreign organ from host rejection
- Supporting development of novel platform technology (based on new molecules)
- Initial experiments show molecules perform in accordance with theory
- *In-vivo* testing in a mouse model in 2010
- Patent on structure and use

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Women's Health: Early Detection Ectopic Pregnancy

- UK: 7,000 high risk women
- 4-6 weeks pregnancy monitoring through GP
- £250-£300 per test (multiple tests)
- UK: possibly £1-5 million per annum
- Prevents surgical intervention and permanent damage or death
- In clinical trials
- National service laboratory extendable to other women's health activities or other tests
- International franchise (Europe, USA)

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Fulfilling Healthcare ICT Needs

- Lack of ops and clinic specific applications software to fulfil needs
- Lack of major IT vendor understanding of changing healthcare requirements
- Trusts investing in developing or sourcing applications software development
- NHSIL investing in software development

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Fulfilling Operational Needs in ICT

Stages:

1. NHS Trust Developed Software (2007)
2. Trust Specified, NHSIL Outsourced Software (2008)
3. NHSIL Outsourced Software filling major unmet operational needs in healthcare management

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Boutique Healthcare Software Development & Support Co.

- Revenue generator for NHSIL
- 5 products in R&D through 3rd parties
- Unmet need for boutique software house
- Specific healthcare areas
- Specific IT/ICT platforms
- 4% NHS Trust budget on IT
- SME Example: Orion ($100 million revenues)
- UK applications market >£100 million
- Similar requirements internationally in USA, Europe, NZ, Canada

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Xcelerate Health Outcomes Ltd.

- Health Economics consultancy
- USPs: Completely unaddressed niches
  - Preclinical health outcomes to NHS
  - Provision of clinical access and “observational” data to industry
- ISPOR 450 @7am seminar. 250 leads. 10 pharma.
- £1500 - £3000 per consultant day
- £250,000 per HE consultant per annum
- Revenues - Y1: £100k; Y2: £500k; Y3: £1m; Y4: £5m; Y5: £10m

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We Look Forward to Collaborating in the Future

6th Floor, West Wing
250 Euston Road
London, NW1 2PQ

Tel. 020 7380 1700

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