

NIH SEED Company Showcase Program Webinar Transcript

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Todd Rubinstein: And a very good afternoon or good morning to everyone, and we want to first thank you for attending our Company Showcase Program Overview webinar. We are very excited to have you all today and very excited to share some information about this amazing opportunity for your companies. I would like to first introduce myself. I'm Todd Rubenstein. I'm the Innovator Support Team Project Manager here at the SEED, Small-Business Education and Entrepreneurial Development Office, at the NIH. And with me is Dr. Chris Sasiela, the ... Go ahead, Chris.

Dr. Chris Sasiela: Hello, I am Chris Sasiela, the Innovator Support Team Lead here in the SEED office. I intentionally had Todd go first, so I didn't have to say what the office acronym means.

Todd Rubinstein: It can be a tongue twister. All right. Real quick, some housekeeping, turn over to our host.

Laura Bonilla: Hello, everyone, just a few housekeeping items. Please note that this webinar is being recorded. The recording and webinar materials will be made available to participants shortly after this session. Also, please submit all questions in the Q&A box, which is located in your control panel. Thank you.

Todd Rubinstein: So today, we are excited to talk about our Company Showcase. We're going to explain the program and talk about the timeline. We are going to talk about the events that we have relationships with, including the criteria that the organizers have developed, and we're going to talk about some metrics that shows the outcomes of participating in our program. There was a notice published on May 5th with the link right there, and the cutoff date for our June evaluation, just as an FYI, is June 7th. So you have about 2 weeks left to apply, or actually about a week. Time is flying in May, about a week left to apply or request consideration, so please keep note of that.

So our Company Showcase Program matches eligible companies to various conferences and events throughout the country for partnering and for investing. We run this program two times per year. However, our request for consideration forum is open year-round. We have two cutoff dates, one in January, one in June. At those points, we look at the companies that have requested consideration in those time periods before.

So the first step in our cycles is that SEED identifies potential eligible companies to apply and request consideration for our program. Companies have to be ... have an active award within the last 2 calendar years. Companies are receiving emails from a gov delivery address, including reminding their principal investigators and their business officials, reminding them of the opportunity. You may also have seen information about our program in the SEED newsletter or may have heard from your PI or your program manager ... or PO, sorry. June 7th, as I said, is the cutoff date for our current evaluation.

After June 7th, the SEED office, which makes up Entrepreneurs in Residence and other subject-matter experts along with federal staff, evaluate the companies and match them to appropriate events. Companies that are not matched could be for a variety of reasons. This could be because you're not at a good stage to raise money or for partnering, but we encourage companies to request consideration as soon as they're ready to get money or to partner. After SEED does their matches to company events, you can be matched to as many as all of the events or as little as zero.

We then share those matches with our program officers at the various institutes and centers and ask for more comments, more context and to confirm your eligibility. Once your program staff has given us feedback, we then send companies to the different event organizers that we have relationships with. If the organizers then give the thumbs-up, we then will offer companies registration, and those companies are then coached and their pitches reviewed, if we have a pitch opportunity at the event, by our Entrepreneurs in Residence.

If you are not matched to an event in the first 6 months after your request for consideration, you are still eligible for an additional 6 months. You will be notified via email that you were not matched and that you are still eligible, or if it's been 12 months, 1 calendar year, you will be

notified that you are no longer being considered and that you should re-request consideration if you want to.

To help companies prepare for and be successful at different events, we have a ton of resources available. On the SEED website we have resources such as pitch deck templates. We have elevator pitch madlib-style fill-in-the-blank forms. We have articles written by our Entrepreneurs in Residence. We have webinars, all kinds of useful information just on the SEED website.

To help prepare a company that is actually attending an event we have a bunch of resources that our team uses. We have our subject matter experts. We have business intelligence databases, and we use our data analysts and business analysts to look for various information to help our EIRs prepare you for the event. Coaching for events typically starts anywhere from 7 to 5 weeks prior to an event. You'll meet with our Entrepreneurs in Residence at least once, but you can see the median numbers of calls is twice.

The goals of these calls is to help orient you to the various events we have relationships with, to help prepare you for what's going to occur, talk about what you can expect, provide feedback on pitch decks, any executive summaries you may have, any collateral and really to make sure you're in the best place possible to position your company and to successfully achieve your goals, whether that be partnering, whether that be getting investors or whatever your goal might be. We want to make sure you are as successful as possible. And I'm going to turn this over to Chris, as she is going to talk about the various events that we have relationships with.

Dr. Chris Sasiela: I am, and before I do that, what I am going to do is I'm going to address two questions that were posted in the Q&A. So the first question is, does a no-cost extension cost as funding? Our criteria is that your award must have been active within the past 2 years. This is the same length of time during which you are eligible to apply for additional funding through the Small Business Program.

So, yes, a no-cost extension is still considered an active award as long as your award was in NCE within the 2 years prior to the date in the notice. The second question is regarding the NCI program. Now, NCI does run their own investor initiative program, and as you heard Todd

mention earlier, if you have questions about that program, please do reach out to Brittany Connors to request clarification. We do not run their program. They run their own independent program and selection and matching process. I'm seeing a few more questions pop in, so I'm just going to jump on them before we move forward.

If we applied in January but were not matched, do we need to reapply in June? No, you do not. If you applied in January, we already evaluated you across an entire year's worth of events and matched you. You may not have matched to anything in the first half of the year. You may have been matched to something in the second half of the year, so you do not need to reapply. There is no way to request a specific conference that will 100 percent target you towards that event because we really do work with both the criteria the event organizers have provided us as well as provide them the opportunity to give us feedback.

However, there are places in the application or the request itself, the request form, where you can write in, "I would particularly be interested in attending the Angel Capital Association or the MedTech Conference," or whatever.

Todd Rubinstein: I would jump in, Chris, and add to that. When we are doing our matching process, the more information we have on your requests, the better we are able to match you to the appropriate conference. So I would highly encourage you to provide ... Answer as many questions on the form as you can and provide as detailed answer as possible.

Dr. Chris Sasiela: Patrick, I am going to jump over your question for now because we actually will have a slide talking about that in a little bit. A question is, can grant funds be used for travel expenses associated with the events? To the amount allowable within normal rebudgeting guidelines, you are allowed to move money from one line item to another.

I'm not 100-percent certain. I believe the budget ... Rebudgeting guidelines are either 25 or 30 percent, so certainly that would be well below the threshold of taking in the cost for travel and lodging to attend an event. So with that in mind, I am going to talk about the different events with which we have agreements in place, and it is something that for the SEED program, we have agreements in place with these events and these events only. So we are not able to entertain requests for other events. If you have already submitted and you didn't know that

you could put something into your request to say, "I would prefer to go to this event versus another," I encourage you to send us an email at seedinfo@nih.gov and just make the subject line Company Showcase Preference, and we will get that email, and we will include that in our evaluation of your particular request.

So what I'm going to do is I'm just going to move somewhat quickly through these. I will anticipate that questions may appear, and I will address them as I can while presenting on this information. We have what we consider three different levels of events. So Seed Stage Events which are first money in, typically other than NIH money, looking at a raise between 100,000 and \$1 million, somewhere in that space, and for those types of events, although the numbers may go higher with syndication, we offer opportunities to present at the Angel Capital Association Annual Summit of Investing and the Landmark Angels Health Innovations and Investing for Cures Forum.

The ACA event covers primarily MedTech, Digital Health, Consumer Product or Diagnostic types of technologies. It is not impossible for an Angel to consider a therapeutic. It is just much less likely because the investment hypothesis for an Angel investor typically doesn't have that ... the far horizon that is required for therapeutics. The ACA does strongly suggest a full-time CEO already on the team, and the type of raise that is supported at that event is typically Seed or Series A. The Landmark Angels events are ... This is a group of Family Offices and High Net Worth Individuals.

Their primary areas of interest tend to be in cancer, cardiovascular, neurology and ophthalmology, although we have sent technologies from across much of NIH space to this event and seen very positive outcomes. For Landmark Angels, the organizer does require final approval of the event companies, of the companies that we propose. He is extremely well-connected with all of the investors who attend the event, and so he believes that he has a very good insight into who will be successful. So these are our Seed and very Early Stage events.

Moving on to sort of Series A and Partnering events which ... Nope, I went one slide too far. My apologies. Series A events, we have the Life Sciences Summit which, as you might anticipate, is very life-science-focused. So it is therapeutics and biologics, small molecule and biologic-

focused. They do biopharma, some medical devices, some diagnostics and an occasional research tool but with a definite preference for therapeutics. The investment stage for companies for this event would be Early Stage or Series A, ideally proof of concept completed as close to as possible or potentially post-IND filing.

Some clinical data is really a strong thing to come to the Life Sciences Summit with. There should be a CEO and/or a strong and experienced leadership team in place, and really for all of these events, not just for the Life Sciences Summit, you should really be looking at an emergent raise or acquisition or partnering event. It's good to start those conversations early, but if someone picks up that hook and they get very excited about your technology, and then you come back and say, "Oh, well, we were just exploring.

We're not thinking of something until 5 years down the road," that's a little bit disappointing, right? So RESI stands for Redefining Early Stage Investments. This is a series of events that happens throughout the year. We typically participate in a Boston event which is a little more MedTech focused and a January event which happens in San Francisco concurrently with JPMorgan BioInvestor Week and with the BioAssociated event which happens in June wherever Bio is which this year also happens to be in Boston.

RESI is all technology platforms, all therapy areas. Series A or Seed, Series A-plus. There is a definite preference for a professional management team with RESI itself for the investors that attend there. They may review proposed companies if they have ... If they're seeing a company that is brand-new to them, they may ask for some additional information. This is a very experienced and active team, the Life Science Nation team, and this is an excellent event. There's a lot of partnering that goes on at RESI. I am ... There's an excellent question in the chat. I will get to it momentarily.

Series A and Partnering Events, so these are ... or Series A-plus and Partnering Events, so if you're beyond Series A and you're really looking to get into ... Let's say with a pharmaceutical, you're a Phase II clinical trials or you're Phase III clinical trials, if you're looking to out-license now that you have some human safety data or if you have a medical device which is 510(k) cleared or at least has an IDE with your feasibility trial complete and your pivotal trial beginning

to enroll sorts of things, we have the BIO International and The MedTech Conference. So BIO International is a therapeutics-focused event, although research tools and diagnostic assays can also be successful there.

Typically you're looking for your technology to be in a clinical phase, not preclinical. There is interest to be garnered at the preclinical stage, but true proof in the pudding, as it were, of the safety at clinical or early clinical is good. Also, BIO is extremely good if you're looking to partner with a larger company and be able to expand the strength of your team. The MedTech Conference is the premier event for medical devices, interventional, imaging and diagnostic, or some digital health and connected devices are also successful there. Again, Series A and beyond, they're looking primarily for commercial stage products that are either promotionalized, if they're a Class II technology, or near commercial if they are a Class III technology.

They're looking for pivotal trial enrollment or completion, near completion. If there is revenue, not necessarily positive revenue but any revenue generation, that's a big plus going into The MedTech Conference, and certainly interest in partnering because all the big kids are hanging out there.

And then our final events that I want to talk about, and these are new for us this year, are ViVE and HLTH. These are Digital and Connected Health Events. This is run by an organization that really has created an ecosystem that brings together the developers, the payers, the policymakers, the investors, the start-ups, everyone to have those conversations. And the companies attending these events, we're still learning.

We're refining our criteria at the moment, but typically are developing digital health solutions, hospital and health care provider system integration or direct-to-consumer products that are typically software-based and may, for instance, enable more seamless caregiver awareness and communication between those people aging in place and their care providers and clinicians. So that is a summary of the events that we support.

And to get to the question of how many requests do we typically and how many of those are accepted into the program and provided with registration, as you can see, over the past 3

years, the data we have shows that a 50 percent or more of the companies that do request consideration in this program are accepted into the program and are able to present their technologies. Now, you'll see the 2023 number is relatively low compared to prior years, and that's because we're only in June ... or, well, currently today May.

So we've only received one cycle's worth of requests for the program thus far this year, and we're at about 50 percent of the number of companies we are sending somewhere, so we have many more slots for the remainder of the year, and we do encourage you to come in and request consideration for that.

Finally, sometimes people want to know what happens after the event. "You're sending us to these events, and that's great. But what happens?" So this data comes from the calendar year 2020, and it is a calendar year, not a government fiscal year and its strange little ways, and you can see for the companies that we sent to these event.

And the Companies Sent column includes a range, not because we sent a range of companies in 2020 but because typically each year we will send somewhere in this range, somewhere from six to 12 for Landmark, 30 to 45 to BIO. So that's a range, gives you an idea of if you're targeting a particular one when you put in your company information form, and you say, "I want to go to ACA, and that's it. That's the only place I want to go." You know we send eight companies there, so that gives you an idea of the probability compared to, for instance, being a little more open to letting us assign you where we feel is a strong match. In addition to the range of raises for some number of companies that you're seeing here, we also have from 2020 itself there were two acquisitions that resulted from companies ... or that happened with companies that we sent to events, and one IPO that happened.

So the companies we're sending are having those really critical conversations and are making the connections. So it's exciting to see. It's a very fun program for us. We love being able to connect with all of you guys, as the companies, and so that is the outcomes data.

[Question and Answer Session](#)

And we are now at the question and answer period, so I'm going to go to the questions that are currently on queue, that have been put into the Q&A, and please feel free to add more in as

they come up. So the first pending question is, if Angel funding is the lowest level of funding we wish to discuss, where is the money supposed to come from to already have a CEO in place? That is a question that we actually get asked a fair amount. It's true that CEOs are expensive. Many companies will have a partial CEO, not a full-time CEO, and the reality is that sometimes the CEO is the ... is a scientific founder or a cofounder of a company, and it is not the only hat they wear in a company.

The CEO role, however, is a critical one for fundraising and partnering activities, so even if you do not have a current CEO, it is important that you have someone who is a dedicated business development contact for your company, who is authorized to talk about the actual raise that you are seeking and the use of those funds and what you are anticipating in return for those funds, whether it's equity or it is a convertible note, or it is whatever vehicle you are going to use for that raise. You need someone who can talk knowledgeably about it, and so that is where the CEO question ... want to comment on how many companies you are considering sending to HLTH. I am not because we do not yet have a signed agreement with HLTH.

What I can tell you is that the NIH space at ViVE held 16 companies in March when that event happened, and that was our first time working with them, and we heard excellent feedback from both program staff and companies that attended. Next question, why did we select HLTH? We spoke with a number of different organizations. We were looking for a space where we can highlight our digital technology portfolio which is a growing proportion of the NIH portfolio overall as it becomes a larger part of the health care space, and with both ViVE and HLTH we are exploring those events this year.

We are seeking ... literally calling up and seeking very specific feedback on the outcomes and the perceptions of those events so that we can make decisions about future agreements and where we may want to go in the future. I am going to skip over the request for data discussion for just a moment. I will come back. There is a question, my funding ended in January 2021. Am I unable to apply for this June deadline given the 2-year requirement? It is possible that you are unable to apply. It is ... some of that is dependent upon whether you had a no-cost extension or if you have received another award in the intervening time or if ... So it's not the sort of question that I can answer definitively right now, but generally speaking, if the absolute last

dollar you got from NIH was in January of 2021, it would be true that you are not eligible for the program in June of 2023. There is a question. Is there funding support for the Showcase Program? The ...

Todd Rubinstein: Go ahead, Chris, unless you want me to take that one.

Dr. Chris Sasiela: Let me take it because it may be a little nuanced. The Showcase Program supports your registration and your presentation fees. It does not support your travel or lodging or your meals or any of the other expenses that would be associated with your physically attending an event. There are some events, I believe Landmark is the last event with which we have a 100 percent virtual presence in this calendar year, which would not have any travel fees associated with it, but the ... That is the way that we support the Showcase Program. The ...

Todd Rubinstein: Should we focus on Phase II funding before thinking about applying to the program? Go ahead, Chris.

Dr. Chris Sasiela: So there are certain Phase II programs at NIH, Phase IIb programs in particular, that do require matching funding in order to be considered, not all. There are only some institutes and centers that make that requirement. I do not view these as separate activities. All of that is business development and investment-seeking behavior, right? So getting a Phase II award would not preclude you from being part of the Showcase Program and getting external funding will not get you out of the Small Business Program unless you're no longer a small business, which has actually happened.

So it's a question of where you want to align and focus your efforts at any point in time. The Showcase Program is available when you are ready to do your fundraising. That is why we have two receipt cycles per year and why we have such a diversity of events throughout the year. We really do try and match as quickly as possible as many companies as possible to the opportunities that we have.

Todd Rubinstein: And then do we have the URL? I believe our team can put that in the chat. There it is.

Dr. Chris Sasiela: Excellent.

Todd Rubinstein: The next question is, proof of concept for therapeutics-based companies essential or do you recommend applying regardless? They're currently carrying out proof of concept.

Dr. Chris Sasiela: I encourage people to request consideration for this program at any stage. If you aren't matched, it's possible that you are too early, but what you consider proof of concept, someone else may consider I&D enabling or may ... There are so many variations on the theme of what people consider any given set of words. So the application itself is designed to take you 15-ish, maybe 20 minutes to complete, and that is assuming of course that you have your grant number nearby, and you have a short description of your company and your project which you have because you have awards, and you created abstracts, and you wrote an application and all of those things.

So it really is a relatively small-time investment to request consideration for the program, and the benefit could be that you are selected to attend an event, and you gain that experience plus exposure to the SEED Entrepreneurs in Residence.

Todd Rubinstein: The next question is a little specific. I don't know if you want to tackle that one, Chris.

Dr. Chris Sasiela: So there are a number of ... I just call everything a technology there. A number of technologies that NIH funds that are platform in nature, where they may be useful for multiple indications. The way that we address that in this Showcase Program is that whichever award you are using as your reference when you request participation, that will be your lead indication in your pitch, but you may be funded by three or four different institutes, and you would certainly have a pipeline slide that would describe each of the additional market areas into which you might move.

Todd Rubinstein: All right. Next question I'm going to assume a few things here. It says, "We received an award from NIH and NHLBI. Are we eligible to apply on the timeline being discussed today?" So by NIH, I'm going to assume that you have an award from an institute or center that isn't NHLBI, and so you have an award from a different institute or center and an award from NHLBI. So, yes, you could request consideration for the Company Showcase Program from the

SEED office for the non-NHLBI, NIA or NCI award, and then using that email address we provided in the chat, reach out to Julia at NHLBI, and she will be able to answer those questions about apply ... requesting consideration for their program.

Dr. Chris Sasiela: Okay.

Todd Rubinstein: contact again.

Dr. Chris Sasiela: Now ... Ah, more questions. I promise you, Andrew, I will get to your question. Question: Is partnering meant to be a step towards acquisition? Not necessarily, right? Each company, each small business has its own plan for how it wants to grow. Some companies are looking to be acquired, and some companies are looking to grow organically. Some are looking to become a services-based company. There are many, many options when we look across the almost 1,500 companies in the Small Business portfolio across NIH. So partnering is not necessarily meant to be a step towards acquisition, although it can be.

Those are the types of discussions that you would have first with an Entrepreneur in Residence during your preparation for an event and then, assuming you're successful in getting some partnering conversations during an event, you would discuss what milestones would need to be met to achieve what outcomes. Many times, some of the larger pharmaceutical companies will ... They'll spread a lot of seeds simply because they aren't sure. They know generally what area they want to work in, but they may not know what solution is going to pan out. So sometimes it can be an acquisition-focused event and sometimes it can simply be a partnering for exploration. Okay, now I am going to go back to the data on the prior slide. Thank you for your patience, Andrew.

So the data on this slide is ... It covers the outcomes. So it ... Life sciences product development work does not move at the speed of light, as we are all unfortunately aware, and so it does take time to really see outcomes. And so what we did, this office, the SEED office, was formed in 2019, so mid-2019. So the best outcomes data that I have is going to come from 2020 as the year that I have the most complete data for with the longest event horizon for things like acquisitions and IPOs and investment things to happen. So what these ... What this table shows is for companies that we sent to each of these events. It talks about the event type, which I

described earlier. Generally the number of companies sent, and I apologize. I did intend to update this with only the data for 2020, but the data is a little ... It shows more of the expansion and contraction that has evolved through the pandemic and now back to in-person events. We have been working with these collaborators as SEED for 4 years, but with several of the events for longer than that. We just don't necessarily have the full data from earlier interactions. So for ACA, LSS, RESI, MedTech and BIO, I know that these relationships go back at least 6 or 7 years. In some cases I believe they go back a decade or potentially more. I've only been at NIH for 11 years, and I know some of these came up during my time here, and some have been a little longer-term than that. The post-event raises, the left column is the minimum size raise, the smallest raise of a company that raised money. So you can see that in Landmark, we sent six companies. Of those, three raised money. The smallest amount of money that was raised was 4.34 million. The largest amount of money that was raised was 20.66 million. Now, if you were listening earlier, you heard me say Landmark is somewhere between 100,000 and 1 million. Landmark is actually ... kind of goes up to about 3 million because of the family office scenario. The post-event raises is not specifically and only unique to the event the company attended. This is the money that the company has ... the companies have raised since they attended that event, so since 2020.

The ... Of the three companies that attended Landmark and raised money, the smallest amount was 4.34 million, and the largest was 20.66. So obviously the company that raised 20.66 has had multiple rounds. They have gone to more than just Landmark, and I can't necessarily say it's this person they met at this event that led to that first investment event, but what I can say is I'm helping those companies, you, go out there and deliver an effective value proposition and connect with investors, and then I can track using tools like PitchBook, GlobalData, Crunchbase, you name it, and I can pull from these sources how much money you have raised because I know that I sent you somewhere.

So this is data scraped since they went to an event to ... I believe this was updated on Wednesday. So hopefully that answered your question about how this table is structured. If you have any additional questions, please go ahead and drop them in. I want to make sure that

since you were so patient on waiting for that answer that I actually got to it and addressed what you wanted to see. Okay, thanks.

Todd Rubinstein: Great. Next question: Some of these numbers are quite large. What equity or other considerations did the companies have to give to the investors?

Dr. Chris Sasiela: That's an excellent question. I don't have an answer for you. We didn't necessarily call up the companies and ask that question so ... It was all database searching.

Todd Rubinstein: And these are questions that you can ask of an entrepreneur. What would typically be how much equity someone would give up for things like that? That's all conversations that our Entrepreneurs in Residence are equipped to answer.

Dr. Chris Sasiela: Indeed. And something that is new this cycle that we just started to do is when we have larger cohorts of companies attending an event, we will have a pre-event webinar for those companies that are matched to the event, helping you walk into that room and understand what to expect at that event.

And so for instance, we did this with BIO, and the EIR, John Sullivan, who helped with that webinar, talked the companies ... talked about how to really identify and engage with investors and what to expect with that first conversation, what to have with you to support that second conversation because many times if you get a first conversation, it's the hope that you will move on to a second one. We're preparing you with that pitch presentation. Once you scratch that surface and you go a little deeper, how much more should you have in deck number two? What types of vehicles are you looking to raise with, and what are you willing to negotiate? And those conversations go on.

I would also like to just make sure people are aware the Entrepreneurs in Residence as well as the other subject matter experts in the SEED Office, which include Regulatory, Reimbursement and Intellectual Property experts, are available for focused conversations. We call that our Consult Program, and to request a consult with a SEED subject matter expert all you need to do is send an email to seedinfo@nih.gov and put in Consult Request, tell us what you would like to talk about. We find after these meetings we get a couple of companies each round or after each event coming back and saying, "Oh, my gosh. I had such a great conversation, and now I'm

going to be meeting with this company or that investor, and I'd like to bounce some ideas and prepare for that effectively and talk with you again."

Todd Rubinstein: And I will steal what one of our Entrepreneurs in Residence always says is, "Don't forget that you do have to kiss two or 300 frogs before you find that prince or princess." So investing and partnering takes time sometimes, but we're trying to help as much as we can to get you positioned into a way that you will be as successful as possible.

Dr. Chris Sasiela: So I would like to ... I'm not seeing any more questions coming in, and our participant level is stable right now, but I think would drop very soon. So I want to thank you all for coming today to this webinar. I hope you learned something about the program, and if you haven't already completed your request, I hope you do. I always enjoy ... And I know the EIRs love looking at all of the companies, seeing the true diversity of our portfolio and trying to make as many matches as we can. If you have any questions before the cutoff date of the 7th, which is next Wednesday, please do reach out, seedinfo@nih.gov, or if you happen to be at BIO stop by the NIH Innovation Zone booth and say hi. Todd and I will both be there.

Todd Rubinstein: Yes, we will, booth number 3135.