



# Due diligence for institutional investor

## Overview

A mid-size institutional investor requested an independent assessment before investing in an exosome-focused academic spinout company. The spinout company, founded by a Top 10 university, has developed a pipeline of exosome-based therapies for several indications using in-house developed IP. It has received initial funding from angel investors and is seeking additional funding to advance its research and development plans.

## Methodology and Solution

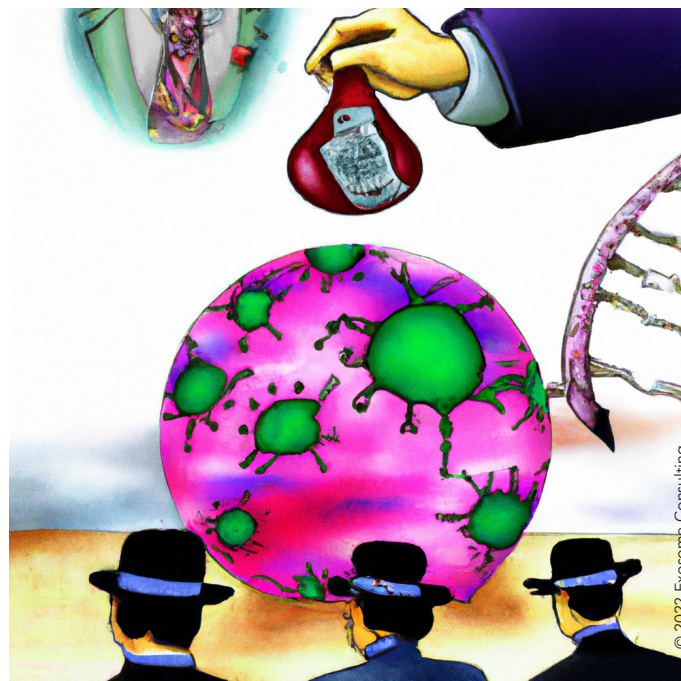
To evaluate the company, a team of experts used our proprietary KnowEx™ platform<sup>1</sup> to identify competing pipelines, compare the company's IPs against competitors, and assess the field's current state. The team also used a Tier II<sup>2</sup> technical due diligence service to review the science behind the company's pipeline. This included reviewing scientific publications, analyzing the patent portfolio, and evaluating the technology development roadmap. The team also modeled and explored the commercial potential of the company's drug candidates, including the size and growth potential of the market, the competitive landscape, and any regulatory or reimbursement challenges.

## Outcome

Based on the comprehensive due diligence review, the team concluded that the company has a solid scientific foundation and a promising technology development roadmap. However, the review identified one particular drug candidate that underperformed in *in vivo* studies, and the general scientific consensus on the disease's pathomechanism suggested that the selected approach may only deliver average results. After presenting these findings to the investor, the team recommended moving forward with a smaller initial investment and the option for a second tranche upon meeting certain milestones for the weakest drug candidate.

## Conclusion

The investor decided to accept the proposal. The proposed solution provided significant savings and reduced the investor's potential losses while maintaining an open path to future engagement with the company.



<sup>1</sup> - email us to find out more about different types of due diligence we provide

<sup>2</sup> - Read the INSIGHT02 white paper on the KnowEx™ platform and how it can help deliver the optimal solution for your needs.