

Finance Booster Mini Programme

Thursday, September 10, 2020

Overview: This programme offers start-ups a valuable overview in Finance literacy, provides mentoring as well as consulting-based support to help company's prepare for their next funding rounds. The programme provides both an online lecture format in connection with relevant case-studies as well as 1 on 1 support. In recent months, being prepared for negotiations has become more important than ever. Let us help you achieve your milestones.

For Whom: The target group is medium level start-ups, that have achieved i.e. seed funding and beyond, which have raised some funding so far, and need individualized support to take them to the Series A/B funding level. Start-ups at lower levels of maturity may still apply.

Application Deadline: September 28, 2020

Link: <https://eithealth.eu/project/finance-booster-mini-programme/>

Value and Cost: To be able to provide you the best mentors, a cost will be associated with this programme. The value of this programme is €3500, the cost is €1900.

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Finance Booster Mini Programme

Introduction

The Pop-Up Incubator Series is designed to be as a series of remedial trainings for healthcare start-ups that is first ever of its kind provided by EIT Health in 2019. The aim of the Pop-Up Incubator Series is a combination of different events that aim to strengthen EIT Health brand and community by providing access to both bite-sized and also in-depth trainings for healthcare start-ups.

In line with the demands and suggestions received from Pop-up Incubator Series alumni start-ups, from the Catapult team, Investor Network, Business Creation Managers and MCN, a training series on access to finance was decided on as the topic of the Pop-up Incubator Series 2020.

This time, we aim to remedy the needs of mature start-ups on their way of becoming scale-ups. With this Finance Booster series, Pop-up Incubator Series aims to provide this individualized feedforward to the start-ups. This project's target group is medium level start-ups, i.e. seed funding and beyond, which have raised a substantial amount of funding so far, and need individualized support to take them to the Series A/B funding level.

This project will be in series format to achieve continuity, i.e. starting from a baseline and building up on this, by offering a well-rounded flow of bite sized trainings, and also to increase the community engagement with this sense of continuity and also creating discussion groups on MCN.

The topics for the *Pop-up Incubator Series 2020: Finance Booster mini programme* were decided on as follows:

1. Valuation methods for healthcare start-ups: October 15th
2. Term sheets: November 5th
3. How to stack up figures in Business Plan: November 19th

The programme model

The training sessions will be hands-on with case studies provided by the start-ups, anonymized and adapted for teaching purposes. The sessions will foster group work.

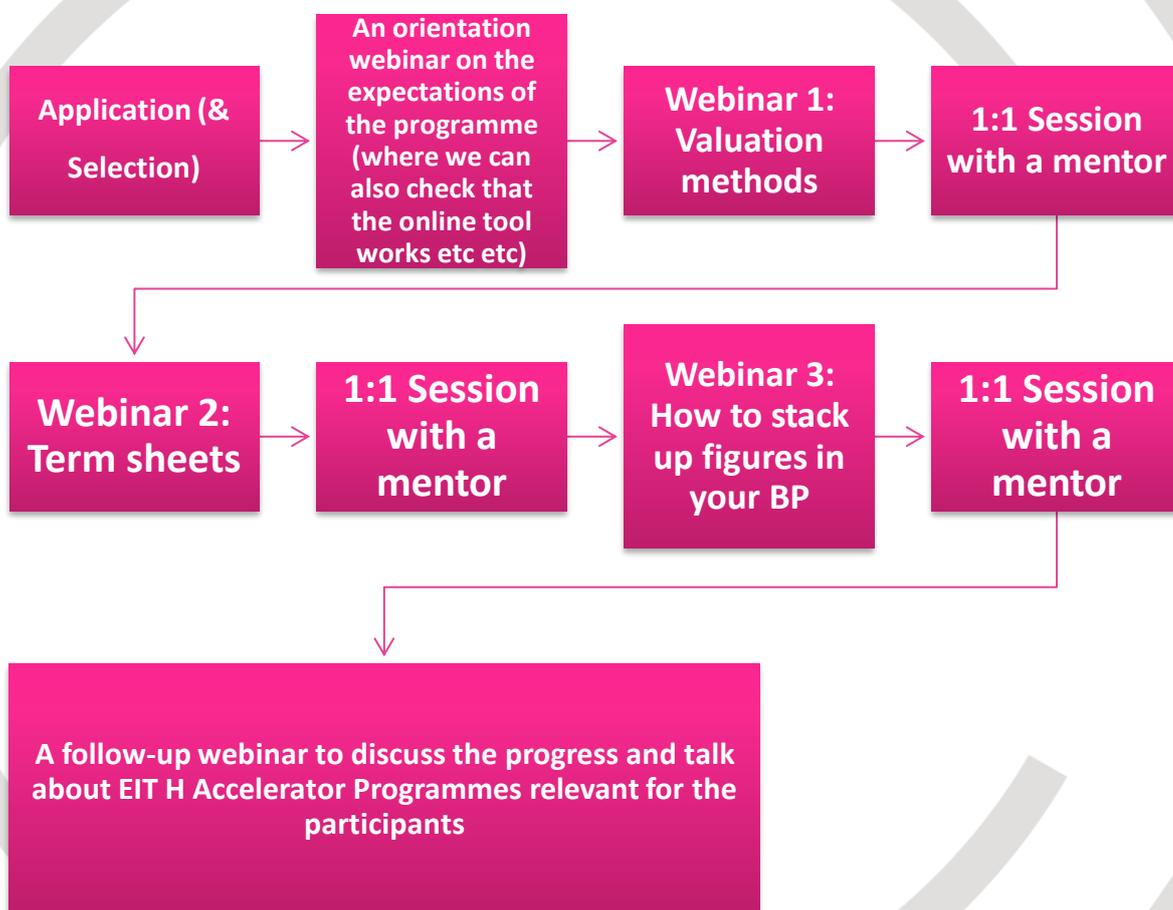
The sessions will be held by professors of Business Schools connected to EIT Health, and will be complemented by real-life examples of entrepreneurs who made it as well as the investor perspective!

- 3 training sessions on the topics mentioned above



- 1:1 sessions following each training via MCN
- 3 different discussion forums on MCN: Peer to peer support
- 1 informative webinar session on EIT Health Accelerator Programmes and the orientation webinar: Free of charge to be offered by EIT Health Accelerator

What awaits you in this journey?



Let's talk business...

- **Application fee:** Free of charge.
- **Participation:** Start-ups pay €1900 for the entire series, however, the top five start-ups that apply for a discount, fill out a project plan, interact in the lectures, and progress the most will be able to qualify for a discount of up to €1000.
- **Reserve your spot:** Are you still struggling financially but need this programme? Flexible Payment Options may be available. Please note the cancellation fee is still valid. Please enquire at accelerator.community@eithealth.eu
- **Cancellation fee:** Should the start-up decide not to participate in the programme, the reservation fee of €900 will not be refunded. Failure to adhere to the programme requirements will cause termination of the contract, and the start-up will not be refunded.

Detailed programme

There will be forums created on MCN for each topic. These forums will be utilized for ice-breakers and material sharing prior to each session, and after the sessions the participants may use these forums to discuss relevant issues and exchange their ideas and experiences.

The training sessions will follow a hands-on and interactive approach.

Valuation methods: October 15th 2020

This session will be delivered by: [Tomasz Pilewicz, PhD, MBA](#)

09:00-09:10 - Introduction to the topic and course architecture

09:10-09:30 - Online quiz and key insights on healthcare start-ups transactions and valuation principles

- Source of insights on ongoing health-care start-ups transactions: Angellist, Crunchbase, Dealroom, ASTP-PROTON

- Principles of investments in healthcare start-ups from corporate venture capital perspective (basing on Philips Ventures experience)

09:30-11:15 - Review of the core concepts related to the topics

- Financial part of health care start-up business plan (income statement, cash flow statement, balance sheet and break-even point)



- Other than financial, core aspects of healthcare product/service in development or scaling-up stage impacting valuation
- Bridge from business plan and its financial part to healthcare start-up valuation methods:
 - Robert Hisrich method example + open source tool
 - Cayenne method and practical example + open source tool
 - Discounted Cash Flow (DCF) and practical example + open source tool
 - Other methods including: Pre-VC method and Berkus method
- Core concepts summary

11:15 - 11:30 - Introduction to teamwork assignment 1

- Case study method - case study prepared by tutor/real world example - start-up perspective:
- Valuation of company with software product for complex health risk self-assessment, digital triage, teleconsultations and patient coordination in COVID-19 risk context)
- Tutor available for questions and support team work in teamwork rooms/channels set-up for course delivery

11:30 - 12:30 - Teamwork on assignment 1 (case study method)

12:30 - 13:00 - Technical break/lunch break for participants

- 13:00 - 13:45** - Teams report out on assignment 1, comments, questions and discussion related to logic and key assumptions/principles applied

13:45 - 14:00 - Introduction to teamwork assignment 2

- Case study brought by course participants before the course or case study prepared by tutor/real world example - Venture Capital (VC) perspective: valuation of company with graphene technology patents for personal protection face masks in COVID-19 context rising capital for production):
 - What amount of money you as VC would invest, what share of equity you would ask for and what strategic advice you would provide to founders)
 - What the most relevant contractual clauses related to valuation and transaction you would consider in contract with start-up (without deep-dive as it is to be covered in detailed course dedicated to term-sheets)
 - Tutor will be available for questions and support team work in teamwork rooms/channels set-up for course delivery

14:00 - 15:00 - Teamwork on assignment 2

- 14:00- 15:45** - Teams report out on assignment 1, comments, questions and discussion related to logic and key assumptions/principles applied

15:45-15:00 - Wrap up + Introduction of MCN & the list of mentor

Term Sheets: November 5th 2020

This session will be delivered by Emmanuelle Trombe and her team of lawyers at McDermott Will & Emery

09.30 – 11.00: presentation of the main clauses of a standard TS and the main negotiation points, e.g.:

- o Financial terms
- o Governance
- o Management & employee incentive plan
- o Exit Mechanism
- o Representations & Warranties

We will also discuss the main differences between US and EU term sheets

11:00 – 12.30: case study

we would provide a template TS as follows:

- o TS from a US investor willing to invest in a European healthcare start-up in a Series A investment
- o The objective will be to negotiate a balanced and agreeable TS
 - participants would be split into 2 groups (4 depending on the number of participants) : one investor group, one founder group
 - each group will work on the term sheet, identify the clauses to be negotiated and propose alternatives
 - each group may ask their questions to the MWE lawyer that will have been assigned to them about the clauses they've decided to negotiate, how they're proposing to negotiate, their proposed markup on the draft TS etc.
 - the group will exchange marks up

12.30 – 13.30: lunch break

13.30 – 14.00: Keynote speaker



14.00 – 15.30: role playing – term sheet negotiation session

=> the groups will negotiate based on the initial term sheet, confront their proposals and markups

15.30 – 16.00: wrap-up – MWE team to sum up what has been discussed over the negotiation session and what conclusions can be drawn

Business Plan: How to stack up numbers?: November 19th 2020

This session will be delivered by [Hashem Zarafat](#) and will follow a flipped class approach, i.e. you will be presented with the course material prior to the course to give you time to digest the information needed to reach your full potential during the training sessions.

09.00 – 09.30: Introduction to the topic and course architecture

09.30 – 10:45: Input and assignment of group work

Input will cover: Revenues and costs, income statements, projections, income growth, pricing etc.

10:45 – 12:00: Case study (Group work): Development of a pro forma income statement for a BioTech/MedTech/Digital Health product in Microsoft Excel

13.30 - 14.00: Keynote speaker: [Maria Sievert](#)

14.00 – 15.00: Groups report back and present their work

15.00 – 16.00: Trainer gives feedback on the reported work

16.00 – 16.30: Wrap up + Introduction of the EIT Health Accelerator programmes webinar