

Life Sciences Overview

Baird Venture Partners leverages its in-depth sector knowledge, experienced investment team, network of relationships and the global Baird platform to serve as a value-added partner to its portfolio companies. Our investment approach in the Life Sciences sector is based on the following key components:

- Target capital-efficient, industry-specific businesses in large and growing markets with short to medium holding periods
- Partner with talented management teams and experienced investors
- Provide early- to expansion-stage capital and in-depth sector knowledge for product, regulatory, reimbursement and commercial development

Medical Device & Equipment

- Less invasive technologies
- Diagnostic/therapeutic combined devices
- Miniaturized implantables and sensors
- Tissue engineering/biomaterials
- Drug/device combinations
- Medical capital equipment
- Aesthetic products and equipment

Tools & Diagnostics

- Cellular analysis
- Therapeutic/outcome-predictive diagnostics
- Rapid diagnostics/biomarkers
- Arrays, reagents and probes
- Gene analysis
- Protein analysis

Tech-Enabled Healthcare Services

- Outsourced discovery service
- Research lab automation/outourcing
- Technology-enabled clinical services

Select Baird Venture Partners Portfolio Companies



Accuri Cytometers Inc. is a life sciences tools company developing a high-performance benchtop cell analyzer that provides capabilities comparable to industry-leading flow cytometers in a more user-friendly format and at a fraction of the cost of competing systems.



Aptus Endosystems, Inc. is a medical technology company developing advanced technology and products for the treatment of endovascular aneurysm repair. The technology provides surgeons with the confidence and control of an open surgical repair with the minimally invasive approach of an endovascular procedure.



Arbor Surgical Technologies, Inc. is a development-stage cardiovascular medical device company focused on novel surgical heart valve technology and attachment systems. It is currently developing technologies designed to deliver significant clinical benefits to thousands of heart valve replacement patients worldwide.



Celleration, Inc. has developed a proprietary device utilizing therapeutic, non-contact ultrasound technology for treatment of chronic and recalcitrant dermal wounds. The company's core product offering, the MIST Therapy® System, is designed to impact all critical aspects of the wound healing process.



CoAxia's NeuroFlo™ system, currently in clinical testing, is pioneering the use of catheter-based perfusion augmentation systems for the treatment of cerebral ischemia by redistributing blood flow to the brain during acute ischemic events such as stroke or vasospasm. NeuroFlo has the potential to extend the current treatment window for millions of ischemic stroke patients worldwide.



Interlace Medical Corporation develops minimally invasive devices for the gynecological surgeon to enable safe, quick and reliable removal of uterine fibroids and polyps. These devices are designed to improve patient care and physician efficiency while reducing cost.



NimbleGen's customized, high-density microarray technology combines photo-deposition chemistry with digital light projection to shorten array fabrication from months to less than three hours. The benefits to functional genomics experiments include extreme flexibility, optimized array design, highly reproducible array fabrication and statistically robust results. [Sold to Roche, August 2007.]



Palyon Medical Corporation develops technologies for the treatment of chronic pain, spasticity and other neurological diseases. Up to 20% of chronic pain patients do not respond to conventional treatment, and may be candidates for therapies such as Palyon's programmable implantable drug delivery system.



Pharmedium Healthcare Corporation is a leading provider of intravenous (IV) admixture services to hospitals and alternate-site pharmacies under the COMPASS Services name. The company's IV admixture services involve mixing prescribed drugs with a base solution, known as IV "compounding," for patient therapy. [Sale/Recapitalization, November 2007.]



TomoTherapy, Inc. has developed a medical system that delivers conformal radiation therapy to cancer patients by combining the complex steps of radiotherapy into a single device that targets tumors more effectively than conventional devices. The system verifies dosage delivered and treatment volumes while offering true 3D image guidance, assuring treatment delivery according to plan. [IPO, May 2007.]

Macro Trends

On a macro level, overall trends in life sciences are compelling. Population demographics, trends toward longer and more active lifestyles, globalization, healthcare privatization and increases in standard of living all contribute to a massive and ever-growing demand for healthcare products and services throughout the world. The supply and demand factors of this sector combine to create a dynamic environment for investors that will only grow over time. Specifically, Medical Technology's allure to investors has increased disproportionately to the rest of healthcare with venture investment increasing 43% over the past three years (compared to a 28% increase for biopharma).

Other Trends

- Individualized medicine/therapies
- Increased regulatory scrutiny, desire to decrease time to market with more specialized treatments
- Evidence-based, cost-effective medicine

Sub-Sector Trends

Medical Technology

- Medical Technology is benefiting from a rapid convergence of material science, IT and chemistry/biology, resulting in a continual growth and evolution of more minimally invasive and “smarter,” more value-added medical devices and equipment that offer meaningful benefits to multiple constituents (e.g., patients, providers and payers).
- Numerous barriers to entry, including R&D expenditures, regulatory approvals, established intellectual property and third-party reimbursement, allow companies to build and realize significant shareholder value.
- Medical Technology, on average, offers an attractive combination of high-potential value creation with relatively less investment capital and shorter holding periods than therapeutic-based healthcare products.

Tools & Diagnostics

- The fundamental understanding of biology in living organisms has enabled the creation of an entire industry around “discovery tools,” which are employed on both academic and industrial settings. Proprietary technologies or services that increase the efficacy and efficiency of researchers in developing better drug therapies garner considerable value.
- The Tools & Diagnostics industry has historically garnered high valuation multiples and contains a large pool of acquisitive mid- and large-cap strategic players.
- For a variety of reasons, therapeutics are becoming more individualized and in doing so often require extensive molecular diagnostic research and companion diagnostic tools.

Tech-Enabled Healthcare Services

- Complexities and inefficiencies around the delivery of healthcare services are creating the opportunity for value-added clinical outsourcing models. These models take advantage of providing local healthcare markets with the best products/services on a national scale.
- Laboratory outsourcing
- Clinical trial outsourcing

Investment Criteria

Baird Venture Partners is focused on investments in early- to expansion-stage companies in the Business Services and Healthcare/Life Sciences sectors. The investment criteria for the Life Sciences group are profiled below:

- Proactive, thesis-driven opportunities in domestic Medical Technology, Tools & Diagnostics and Tech-Enabled Healthcare Services companies
- Early- to expansion-stage equity investments
- Lead investor and/or board members; partner with strong investment syndicates
- Invest up to \$10 million over the life of an investment
- Target companies post-product development stage

Baird Venture Partners Overview

Baird Venture Partners is the U.S.-based venture capital affiliate of Baird's global private equity group. With more than 45 investment professionals in the United States, Europe and Asia, Baird Private Equity has raised and managed \$2.6 billion in capital. Baird Private Equity also has a team of over 20 dedicated operating professionals on the ground in Asia to help evaluate, develop and execute appropriate Asian strategies on behalf of our portfolio companies. These strategies may include establishing operations in Asia, developing sourcing or partner relationships, or distribution of products and services into Asia. The group's investments are further supported by Baird's full range of financial advice, operating expertise and industry research, providing a unique full-service approach to the entire private equity investment process.

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