



# Peregrine Ventures

Your Partner for Early Stage Investment



# We are currently in the final stages of raising \$75M for Peregrine III

- Size of Fund \$75M
- So far commitments for \$54M
- Final Closing End of February
- Life Span 9(+2) Years
- Management Fee 2.5%
- 100% reimbursement to LP of paid-in-capital  
Thereafter 80% to LP and 20% to the GP
- 10% of the funds called for at signing the rest is on call for the duration of the fund's life



## PEREGRINE VENTURES

- Founders of Peregrine founded and successfully managed **5 Start-ups** before founding Peregrine
- Investing in early stage life science and technology companies.  
Established VC team with broad investment & operational experience
- **8 Exits, including 2 Mega Exits, Neovasc \$630 and Valtech \$940**
- **IRR of 19.9%**
- Over 6,500 companies/technologies screened since 2001
- **Creating world leading companies**





# The Peregrine Strategy

- Regular meetings with Strategic Partners to determine market needs.
- **Peregrine's investment in early stage companies are leveraged on a ratio of 1:5.6 by the Israeli Chief Scientist**, through Incentive (Peregrine's Technological Incubator which is licensed by the Israeli Chief Scientist).
- Active involvement on daily basis.
- Follow-on investments in matured companies after technology, business model and market acceptance are proven.
- Building companies to obtain either: (1) independent self sufficiency and growth, (2) IPO, (3) M&A.

# Hands-On Management

Young companies are located in Peregrine's facilities.

Participation in the following roles of the companies' executive management:

- Executive Chairman
- Budget monitoring & financial management (authorizing all expenses)
- Planning and executing Business Development strategy
- Recruitment of team & advisory board

Introducing portfolio companies to strategic partners and international opinion-leaders.



## Peregrine II

### Performance compared to industry according to Cambridge Associates LLC\* Including Valtech's deal

	Arithmetic Mean	Median	Upper Quartile	Peregrine Today	Peregrine including additional payments from Valtech
IRR Since Inception (Vintage year 2006)	4.63	5.52	12.71	19.90%	
DPI (Distribution to be paid in Capital)*	0.74	0.67	1.12	2.28	3.81
TVPI (total Value to be paid in Capital)	1.46	1.35	1.87	3.03	4.56
RVPI (Residual Value to be paid in Capital)	0.72	0.62	0.83	0.75	0.75

\*Note: Including Neovasc Sell in Kind

\*Since Inception. Fund vintage 2006. CA report Q2 2016 OticPharma pps \$1.47

**TVPI** current value of remaining holdings within a private equity fund plus the total value of all distributions to date to the total amount of capital received by the fund to date. In this sense, it results from adding the distributed value to paid-in ratio (DVPI) to the residual value to paid-in ratio (RVPI)

**RVPI** reflects the current value of all remaining holdings within the fund compared to the total amount contributed to date by the investors.

# Peregrine II

## Portfolio Value including Valtech's M&A

<b>Size of Fund</b>	<b>27,000,000</b>
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<b>Capital called for</b>	<b>100.00%</b>	<b>27,000,000</b>
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### Current Value

<b>Actual Return of Exits untill today</b>	<b>37,872,855</b>
%	<b>140.3%</b>

#### Valtech

Valtech Closing	23,278,000
Valtech post milestones	41,373,000
<b>Valtech Value</b>	<b>64,651,000</b>
%	<b>239.4%</b>

<b>Total Return of Investment</b>	<b>102,523,855</b>
%	<b>4</b>

Low probability future proceeds from Exits	5,900,000
Portfolio Companies	18,216,816

<b>Privately held Portfolio Companies</b>	<b>24,116,816</b>
%	<b>89.3%</b>

<b>Total Actual Return</b>	<b>102,523,855</b>
%	<b>379.7%</b>

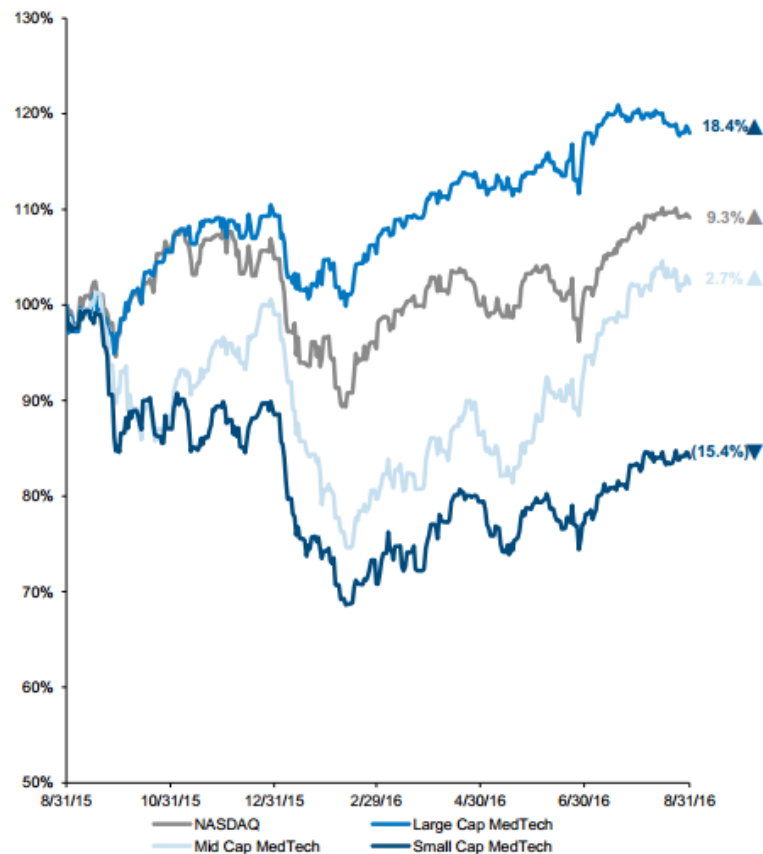
<b>Total Return</b>	<b>126,640,672</b>
%	<b>469.0%</b>

\*Including 8% Escrow    Otic PPS \$1.47

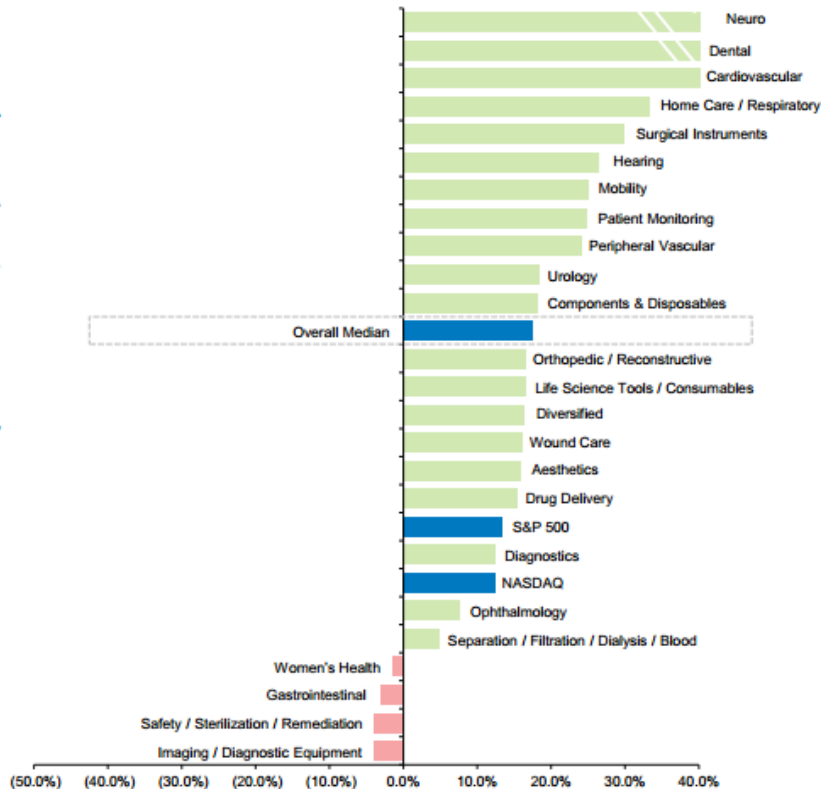


## Indexed Performance of MedTech Stocks

LTM PERFORMANCE – ALL MEDTECH



LTM SUBSECTOR PERFORMANCE



1 Note: All indices are Market Cap weighted, except NASDAQ. Data sourced from Capital IQ, as of close on August 31, 2016.  
1. Small Cap < \$500 million, \$500 million < Mid Cap < \$1.5 billion, Large Cap > \$1.5 billion.

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# Peregrine II Exits



Peregrine's Investment: \$1.8M

Peregrine's Return: up to \$64.6M based on milestones



Peregrine's Investment: \$0.218M

Peregrine's Return: \$4.4M



Peregrine's Investment: \$0.76M

Peregrine's Return: \$4.5M



Peregrine's Investment: \$0.14M

Peregrine's Return: \$0.9M



Peregrine's Investment: \$1.93M

Peregrine's Return: \$16.2M



Peregrine's Investment: \$1.21M

Peregrine's Return: \$13.6M



Peregrine's Investment: \$2.1M

Peregrine's Return: up to \$5M based on milestones



Peregrine's Investment: \$0

Peregrine's Return: up to \$0.9M based on milestones

**Total Return \$110M**

\*Neovasc Ltd. and Bbaloon Ltd. are two peregrine portfolio companies that were merged to a Canadian Public company, now called Neovasc Inc.



# Excellent LP's in Peregrine III

- Bank Hapoalim (Israel's biggest bank)
- Menorah (One of Israel's biggest Insurance companies)
- Consensus - Fund of Fund
- Family offices from Israel and the US
- High net individuals from Israel, Europe and US



## Management Peregrine III

- Eyal Lifschitz** - Founding General Partner
- Boaz Lifschitz** - Founding General Partner
- Lior Shahory** - General Partner -Incubator Mgr.
- Tamir Tal** - Venture Partner-Legal & Operations
- David (Dudi) Eldar** - Venture Partner - CFO
- Tal Carasso** - Venture Partner - IR and Business Development
- Avishay Mor** - VP Business Development



# Management

## Eyal Lifschitz

### Operational Experience

- Co-Founder & General Manager of ECR Ltd (acquired by AVX corp. NYSE:AVX)
- Co-Founder & Director of Business Development of Pharmasys Ltd (acquired by Elan Corp. NYSE:ELN)
- Co-Founder & Director of Business Development of VisionCare Ltd
- Co-Founder & Director of Business Development of BioControl Ltd
- Seed Investor in ClearForest Ltd
- Director of Given Imaging (NASDAQ:GIVN)

### Current Directorships

- Director of Valtech, NLT, CardioGard, Cordio



# Management

## Boaz Lifschitz

### Operational Experience

- Co-Founder & Director of Finance of VisionCare Ltd
- Co-Founder & Director of Finance of BioControl Ltd
- Seed Investor in ClearForest Ltd
- Co-Founder of Vita-Tel Corp

### Current Directorships

- Director of Cartiheal, Rocketick, WhiteSource, Magneto
- Director at Elbit (NASDAQ:EMITF), Elbit Medical (TASA:EMTC), Insightech Ltd., GamidaCell Ltd.

# Advisory Board Members

- **Yehuda Schoenfeld**, MD, Sackler Faculty of Medicine, TAU, Sheba Medical Center, Israel
- **Elazer Edelman**, MD, Director of MIT Biomedical Engineering Center. Sr. Cardiologist at Harvard's Brigham and Women's Hospital Cardiac ICU, Boston
- **Shmuel Banai**, MD, Director of Interventional Cardiology, Tel Aviv Souraski Medical Center
- **Gadi Keren**, MD, Director Cardiology, Sackler Faculty of Medicine, Tel Aviv University
- **Jeffrey Berg**, PhD, President, Health Care Insights, NY
- **Michael Mack**, MD, Medical Director Cardiothoracic Surgery Baylor Healthcare System, Dallas



# Advisory Board Members

- **Yonathan Aumann**, PHD, Computer Science & Mathematics, Bar-Ilan University, Israel
- **Elie Wurtman**, Seasoned Venture Capital (General Partner at Benchmark Capital) and private investor
- **Azi Cohen**, Eurekaify acquired by CA, White Source, Eurekaify
- **Ron Rymon**, Eurekaify acquired by CA, White Source, Eurekaify, Valire
- **Avi Fried**, Avanti Europe acquired by Cadence, Rocketick acquired by Cadence, Zooznow

# Peregrine III Portfolio



An arterial occlusion with a clot can lead to ischemia and damage to the brain. Magnet's device retrieves clots in small vessels, and in fewer procedures, than common methods.



Innovative Robotic technology with high maneuverability and intuitive control for abdominal surgery.



SinuSafe's Nano Debrider is aimed for sinus wash with less pain, immediate relief and the ability to collect samples for bacteria diagnostic.



Device-based therapy for congestive heart failure (CHF) patients, offering reduced hospital readmission rates and improved quality of life.



Eve Pharma Ltd. develops an innovative Rx product for the diagnosis and treatment of Bacterial Vaginosis (BV) in Women



# Peregrine III Portfolio



Single use hybrid catheter for various medical applications that require precise and safe material removal, such as lead extraction or total occlusion.

**mPharma**



mPharma provides physicians, patients and pharmacies with applications to prescribe and locate the medicines they need, report adverse drug reactions and more.

**OutSense**

A toilet based sensor, utilizing a unique optical set-up, including multispectral camera, a data acquisition board, connectivity and a mobile phone app to identify occult blood.



**NeuroApplied**

Scientifically based tool for better understanding consumer's decision making.



# Memiac Innovative Surgery

Peregrine II Peregrine III	Medical Robotics for NOTES (Natural Orifice Transluminal Endoscopic Surgery) and SILS (Single Incision Laparoscopic surgery) procedures in intuitive manner. MEMiac enables doctors to conduct currently unfeasible procedures.		
Year of Investment	2013	2015	2016
Pre-money Valuation	\$1.150M	\$9.800M	\$16.147M
Investment Peregrine II	Peregrine: \$0 Other Investors: \$115,000	Peregrine : \$65,000 Other Investors: \$65,000	13.05%
Peregrine II Holding	21.92%	17.34%	13.05%
Value of Peregrine II holdings	\$252,080	\$1.7M	\$2.1M
Investment Peregrine III			Peregrine: \$2M Other Investors: \$6.05M
Peregrine III Holding			12.39%
Value of Peregrine III holdings			\$2M
Peregrine's Team Involvement	Chairmanship, Business development, professional SAB recruitment, deep involvement in IP and Regulatory issues.		
Company Achievements	But for Intuitive, a world established leader in Robotic Surgery, MEMiac will be the first to receive an FDA approval		

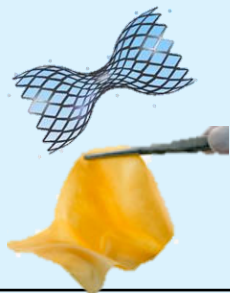


# Valtech Cardio - Case Study



<b>Peregrine II</b> <b>SOLD</b>	Valtech develops Percutaneous annuloplasty rings and valves for the percutaneous treatment of mitral valve regurgitation.	
<b>Year of Investment</b>	<b>2006</b>	<b>2016</b>
<b>Investment</b>	Peregrine: \$150K Peregrine via CSO: \$500K	Peregrine: \$1.8M (plus 500K OCS) Other Investors \$40M Heartware: \$45.0M Total Investment: \$100.8M
<b>Valuation</b>	\$1.55M	Sold to Edwards (NASDAQ:EW) for initial payment of \$340M plus additional installments based on milestones up to in total of \$940M Peregrine's Investment: \$1.8M Peregrine's Return on closing : \$23.2M A return of 12.9X Peregrine's Return post milestones: \$64.6M A return of 35.9X
<b>Peregrine's Holding</b>	26.8%	6.9%
<b>Peregrine's Team Involvement</b>	Business development, product definition, team recruitment.	Business development, close oversight of activities and progress, regular contact with strategic partners.
<b>Company Achievements</b>	Development of a line of percutaneous and open heart implants.	CardioBand Mitral – 130 patients had a fully percutaneous implantation. CardioBand Tricuspid – 6 patients had a fully percutaneous implantation. Cardinal – 80 patients underwent implantation. CE approved.

Peregrine I  
Peregrine II  
**SOLD**



Neovasc Inc. (NASDAQ:NVCV, TMX:NVC.TO) is a publicly traded company, in Canada and in the U.S. It is the result of a merger of three companies; two Peregrine portfolio companies (Neovasc Ltd. and B-Balloon Ltd.) and a public Canadian cardiovascular company (Medical Ventures Inc.).

The company has 3 lines of products:

1. Reducer – A new family of stents for the treatment of refractory angina for patients who can not be treated today.
2. Pericardial Tissue – for use in cardiac surgery and valve leaflets. These products are approved for sale and distribution worldwide.
3. Tiara– Percutaneous mitral valve replacement.

Company valuation at Peregrine’s initial investment  
Neovasc Ltd. : \$7.85M  
B-Balloon Ltd. : \$6.05M

Company valuation at Exit: \$630M  
PPS \$ 9.51  
Peregrine’s Investment: \$3.1M  
Peregrine’s Return: \$29.8M  
A return of 9.6X

Peregrine’s  
Team  
Involvement

2007

2016

Incubation, until FIM

Ongoing interaction with management.


Company  
Achievements

Initial clinical trials

Achieved primary endpoint in the Reducer trial - significant improvement in functional capabilities for patients with refractory angina. The device achieved a CE mark and is now cleared to market in Europe. Ongoing clinical trial for the Tiara valve.



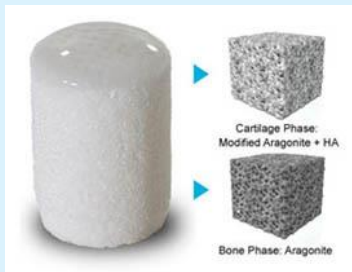
# Otic Pharma- Case Study

<b>Peregrine II</b> <b>SOLD</b> 	<p>OticPharma is developing foam-based medication for the treatment of ear disorders and facial cavities (4 applications). The company completed a Phase II clinical trial in one of its applications that demonstrated a safe and highly efficacious profile.</p>			
<b>Year of Investment</b>	2008	2012-2016	2016-2017	
<b>Investment</b>	Peregrine via OCS: \$500K Other: \$ 330K	Peregrine: \$218K Peregrine via OCS: \$351K Orbimed: \$6.25M Pontifax: \$3.8M	Merged with Tokai (NASDAQ:TKAI) and became a majority of the merged company. In addition a \$7M PIPE led by Orbimed.	
<b>Post-money Valuation</b>	\$1.4M	\$36M		
<b>Peregrine's Holding</b>	36.50%	11.12%	4.6% of the merged company	
<b>Value of Peregrine's holdings</b>	\$0.59M	\$4.03M	\$4.5M	
<b>Peregrine's Team Involvement</b>	Business development, team recruitment	Business development, helping to find further applications, preparations for IPO, etc.	Business Development	
<b>Company Achievements</b>	Stable integration of foam and drug, production of the delivery canister.	FDA approved a Phase III trial. Several product applications: inner ear infection, outer ear infection, facial cavities (post surgery).	OP-1 foam based delivery vehicle to Otitis Externa. OP-2 Surfactant for treating otitis media and Eustachian tube dysfunction	



# CartiHeal- Case Study

## Peregrine II



Regenerating cartilage and bone, naturally.

The first cell-free, off-the-shelf implant that enables simultaneous bone and hyaline cartilage regeneration in a single-step procedure for superior results and fast rehabilitation.

The Agili-C™ implant offers a solution for the growing need of biological joint repair by treating both degenerative and non-degenerative articular cartilage and osteochondral lesions.

## Year of Investment

2009

2016

## Investment

Peregrine: \$0  
Peregrine via CSO: \$550K  
Pertech: \$100K

Elron: \$5M  
Accelmed: \$3.8M  
Access Medical: \$2.2M  
Pertech: \$170K

## Post-money Valuation

\$2.2M

\$54.4

## Peregrine's Holding

23.4 %

3.21%

## Value of Peregrine's holdings to date

\$525K

\$1.7M

## Peregrine's Team Involvement

Chairmanship, Business development. Connection with leading industry experts, characterization of product families.

## Company Achievements

About 200 implantations conducted so far.



# Rocketick - Case Study



**Rocketick**

**SOLD**



Rocketick develops an extremely cost-effective accelerator for chip-verification simulations. Its product will enable semiconductor companies to run simulations of huge SoCs 10x-100x faster, thereby significantly reducing their time-to-market and R&D costs

**Year of Investment**

**2010**

**2016**

**Investment**

Peregrine via CSO: \$500K

nVidia: \$2.5M  
Intel: \$2.0M  
Pertec: \$1.2M  
Peregrine: \$760K

**Post-money Valuation**

\$2.65M

Sold to Cadence at \$38M  
Peregrine's Investment: \$760k  
Peregrine's Return on closing : \$4.5M  
A return of 5.9X

**Peregrine's Holding**

20%

12.62%

**Value of Peregrine's holdings to date**

\$530K

\$4.7M

**Peregrine's Team Involvement**

Business development, close oversight of activities and progress.

**Company Achievements**

The company has raised the interest of strategic players worldwide. Rocketick is the first Israeli investment of Nvidia which is an investor, as well as a customer, in the company.



**Thank You**





# Definitions

## Investment Multiple (TVPI)

Total Value Paid-In  $\frac{\text{Distribution} + \text{Residual Value}}{\text{Capital call}}$

## Realization Multiple (DPI)

Distribution Paid-In  $\frac{\text{Distribution}}{\text{Capital call}}$

## RVPI Multiple

Residual Value Paid- In  $\frac{\text{Residual Value}}{\text{Capital call}}$

