

The Massachusetts Life Sciences Center

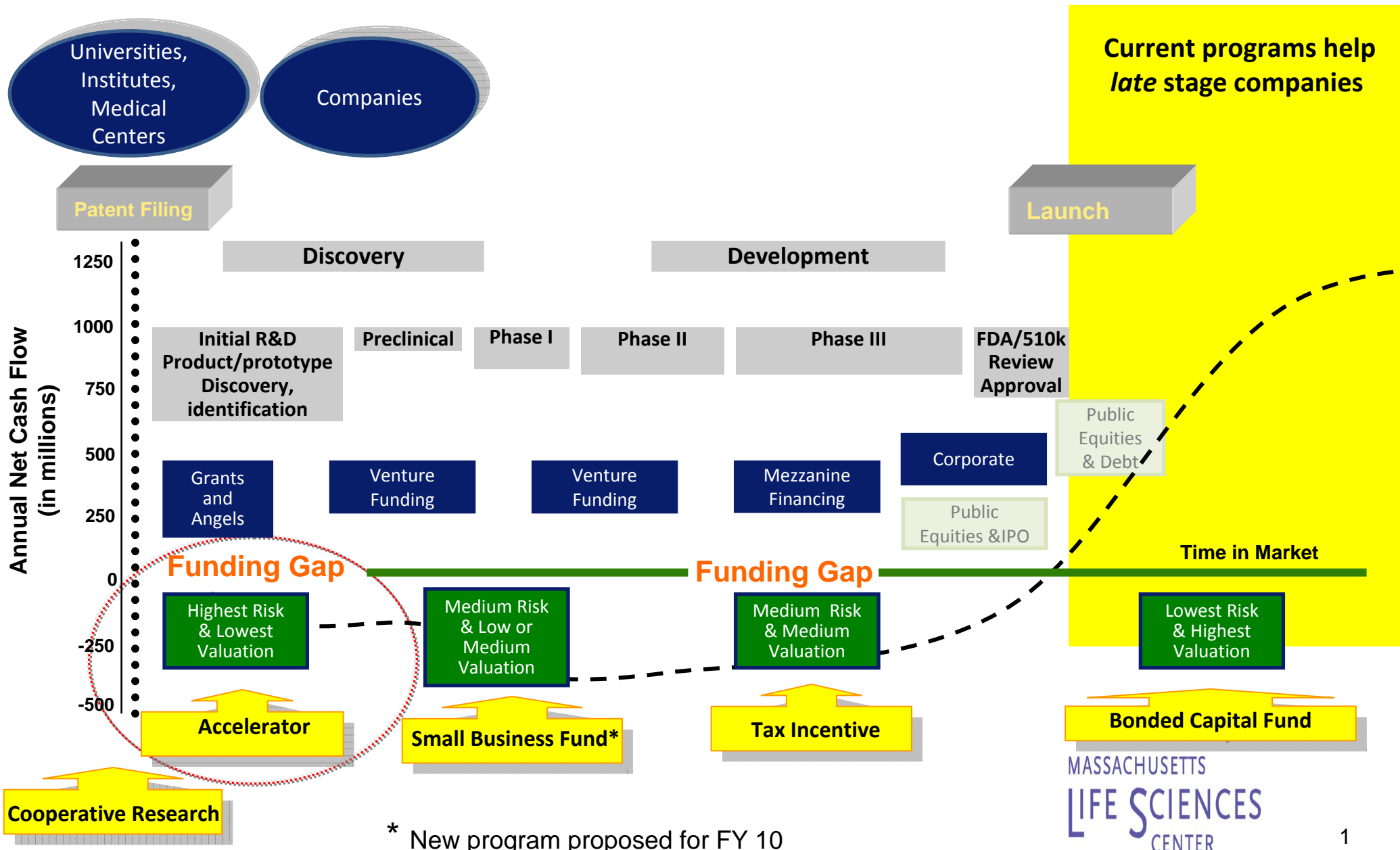


ACCELERATOR Information Session

March, 2010

2010 Accelerator Program Rationale

The Program Fits Within the Center's Funding Gap Framework



* New program proposed for FY 10

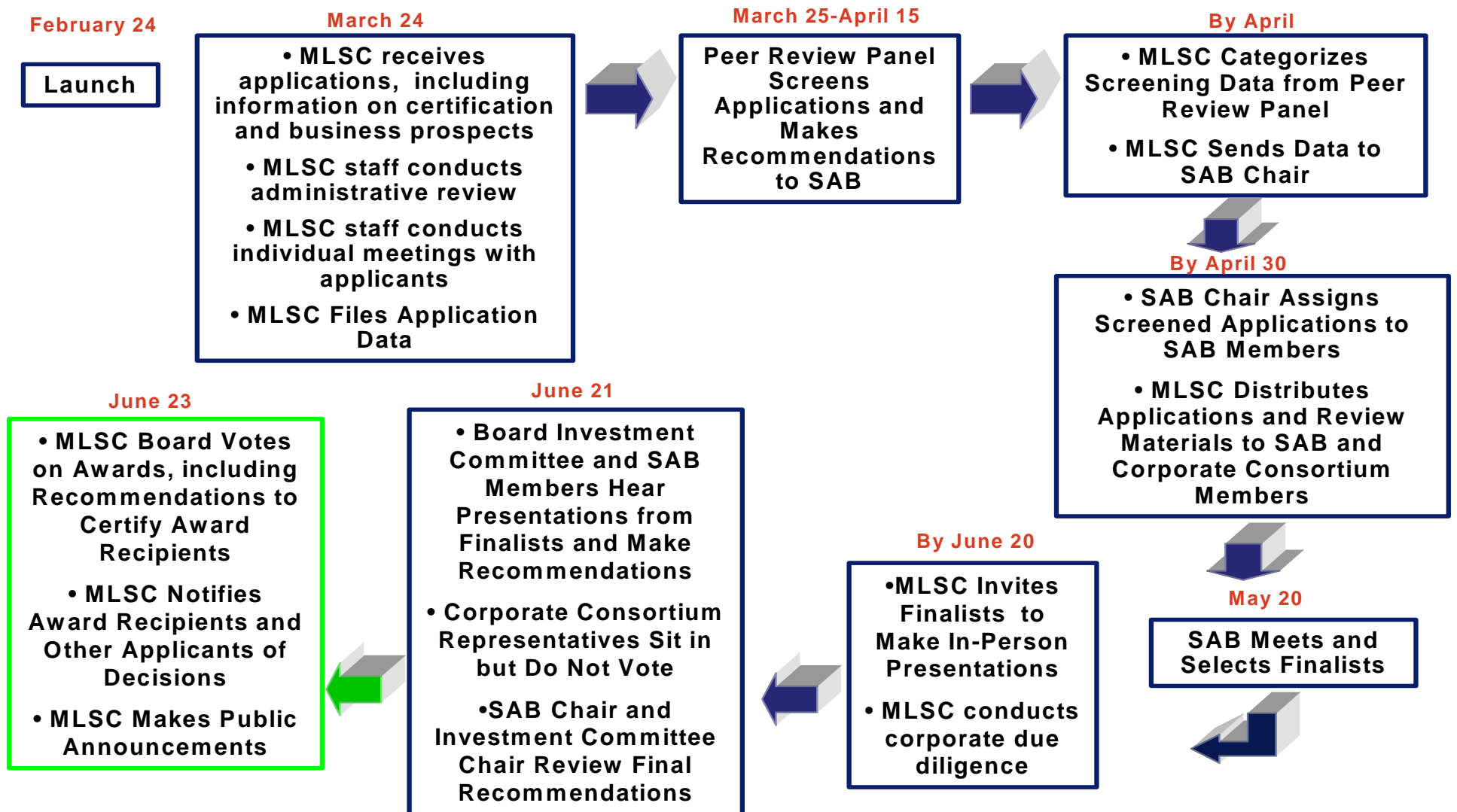
Accelerator Program aim is to fill Funding Gap

Stage	Pre-Seed	Seed/Start-Up		Early	Later
Source	Founders, Friends and Family	Individual Angels	Funding Gap between \$500,000 and \$2,000,000/\$5,000,000 (depending on region)	Venture Funds	
Investment	\$25,000 to \$100,000	\$100,000 to \$500,000		\$2,000,000/\$5,000,000 and up	

2010 Accelerator Program At-a-Glance

- Total investment for FY 10-11 is proposed at \$5.5 million from the Center's Investment Fund, to be awarded in two rounds
- 5-Year Loan
- \$100-\$750K target range
- 10% Interest rate
- Unsecured, Subordinated
- Warrant Coverage of 4%
- Payable on financing event of at least \$5M
- Must match other sources of capital
- Applicants have raised less than \$5M in equity financing
- Life science sectors as defined by the statute: device/diagnostics, biotech, pharmaceuticals, bioinformatics, etc.
- Board Observer Rights
- Adherence to MLSC reporting requirements

Accelerator Application Review Process – Round 1



Application for Accelerator Loan Program– At-a-Glance

1 | Certification Criteria

- **Identification**
 - ✓ Name, address, contact person
 - ✓ Description of business
- **Statutory**
 - ✓ Projected revenue in MA over next 5 years
 - ✓ Plan to achieve revenue goals
 - ✓ Number of full time MA employees over next 5 years with projected average salaries
 - ✓ Taxable income generated by these employees
 - ✓ Method to achieve diverse workforce
 - ✓ Agreement with bank participating in Capital Access Program, if applicable
 - ✓ Documentation for project certified by Economic Assistance Coordinating Council

2 | Project Description

- **Core Information**
 - ✓ Project description (i.e. for life sciences investment fund)
 - ✓ Management Team Qualifications
 - ✓ Market Opportunity and Market Size
 - ✓ Product and Technology and Scientific Value
 - ✓ Potential for technological advancements in life sciences
 - ✓ Potential for breakthrough medical treatment
 - ✓ Use of Funds
- **Value Proposition**
 - ✓ Potential for technological advancements in science
 - ✓ Potential for breakthrough medical treatments

3 | Supplemental Information

- **Corporate Social Responsibility**
 - ✓ Environmental sustainability plan to minimize or ameliorate environmental impact of company's operations and its suppliers
 - ✓ Labor relations and human rights – commitment to pay prevailing wage and comply with labor laws
 - ✓ Corporate Governance – plan to promote best practices in corporate governance, including financial and accounting policies, board structure and employee conduct
- **Potential to Leverage Other Resources**
- **Applicant's business plan**

MLSC Corporate Consortium Program

Program Highlights

- **MLSC conducts sourcing, due diligence and administrative review**
- **Applications are assessed via Peer review, SAB review and presentations by finalists**
 - Consortium members lend expertise
- **Consortium members are able to see all applications sourced by the Center via a secure web portal**
- **Consortium members observe the SAB review meeting as well as the in-person presentations by finalists**
- **Final investment decisions are made by MLSC's Board**
- **Consortium members can pursue discussions with other applicants of interest that are not funded by the MLSC**
- **MLSC provides portfolio oversight Board observational rights and reporting requirements**
- **MLSC provides a year-end report to consortium members for all co-investments**

FY 10-11 Accelerator Program: Evaluation Criteria Will Remain Unchanged from FY 09

