



# LIFE SCIENCES DEALMAKING SYMPOSIUM POWERING THROUGH THE PANDEMIC: TRENDS IN EARLY-STAGE INVESTMENT



The pursuit of progress during these unprecedented times has led to a surge in life sciences investment and funding for early-stage companies. Investors are on the lookout for the next big innovation while also navigating new ways of sourcing and managing portfolio companies. Our panel of experienced early-stage investors discussed the top trends in this push for advancement, including sectors attracting the most dollars in today's challenging business landscape, key issues that early-stage investors are watching as they source and vet new investment opportunities, steps that executives of early-stage companies can take to articulate their value and attract investors, and more.

McDermott partners [Todd Finger](#) and [Joanna Lin](#) moderated this discussion featuring [Eric Aguiar, MD](#), partner at Aisling Capital; [Dr. Andrew ElBardissi](#), partner at Deerfield Management; and [Marian Nakada](#), vice president of venture investment at J&J Innovation.

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COVID-19 fundamentally changed the process for evaluating new investment opportunities, Dr. ElBardissi said. "Meeting face-to-face with the management team, kicking the tires, touring the facility—those are intangible factors that are very difficult to replace in this corporate environment," he said. "Candidly, the bar has gotten significantly higher, as you think about our inability to conduct diligence the way we would like and as you think about all the constraints in the current environment."

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In today's market, investors are more likely to target entities that are well run and have an existing management team, compared to a first-time Series A or a new entrepreneur requiring seeding, the panel observed. In particular, companies that have a robust syndicate and businesses that are thriving in COVID-19 have less problems with fundraising than companies with first time management that need find a new syndicate.

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The move to working remotely has actually made large M&A and IPOs easier to conduct because executives are more readily available. "The decision-makers don't have 50 meetings out of the office and aren't traveling all the time, so decisions are moving quicker," Mr. Finger said. Everyone working virtually in some ways addresses issues of distance bias, sometimes even opening doors to do investments with management teams that previously were not done due to distance. "If everyone's virtual and everyone's at the same playing field, you're adapting to that new standard," Ms. Lin said.

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Even as the industry braces for a potential second wave of in-person clinical trial shut-downs in response to increasing COVID-19 case numbers, some companies are seeking to keep trials moving forward using innovative remote monitoring options and home administration of clinical trial drugs. "The whole industry has adapted very, very quickly," Dr. Aguiar said. "It's adapted to being virtual for investors like ourselves, and there are services popping up to allow us to keep our clinical trial participants at home. Time is our friend on this. Every month we seem to get better and better at this."

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