

Versant Ventures

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Observations on Innovation

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Versant Overview

- \$1.0 billion under management
- Two locations with 13 investment professionals:
 - Menlo Park
 - Newport Beach
- Healthcare focus
 - Biotech, Medical Devices, Services
- Emphasis on early-stage investments
 - Later-stage investments by exception
- Geographic focus
 - Preference for California and Western U.S.
 - Selective investment nationally

The Role of Innovation in Healthcare

- Our role in innovation takes several forms
 - Investment in start-ups
 - Approximately 70 portfolio companies
 - Self started new projects
 - Executives in residence
 - Various over the years
 - Formal incubators
 - ForSight, Accelerator
 - TIF, for example: 7 companies, 4 spin outs

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Impact of Innovation

1. Economic

- Our goal is to build successful standalone companies
- Venture firms fund the losses a startup incurs to get there
- Companies in our current three funds will flow over a billion dollars of our capital alone into the economy, specifically to:
 - Employees
 - Service providers
 - Real estate
 - Vendors
 - Etc.

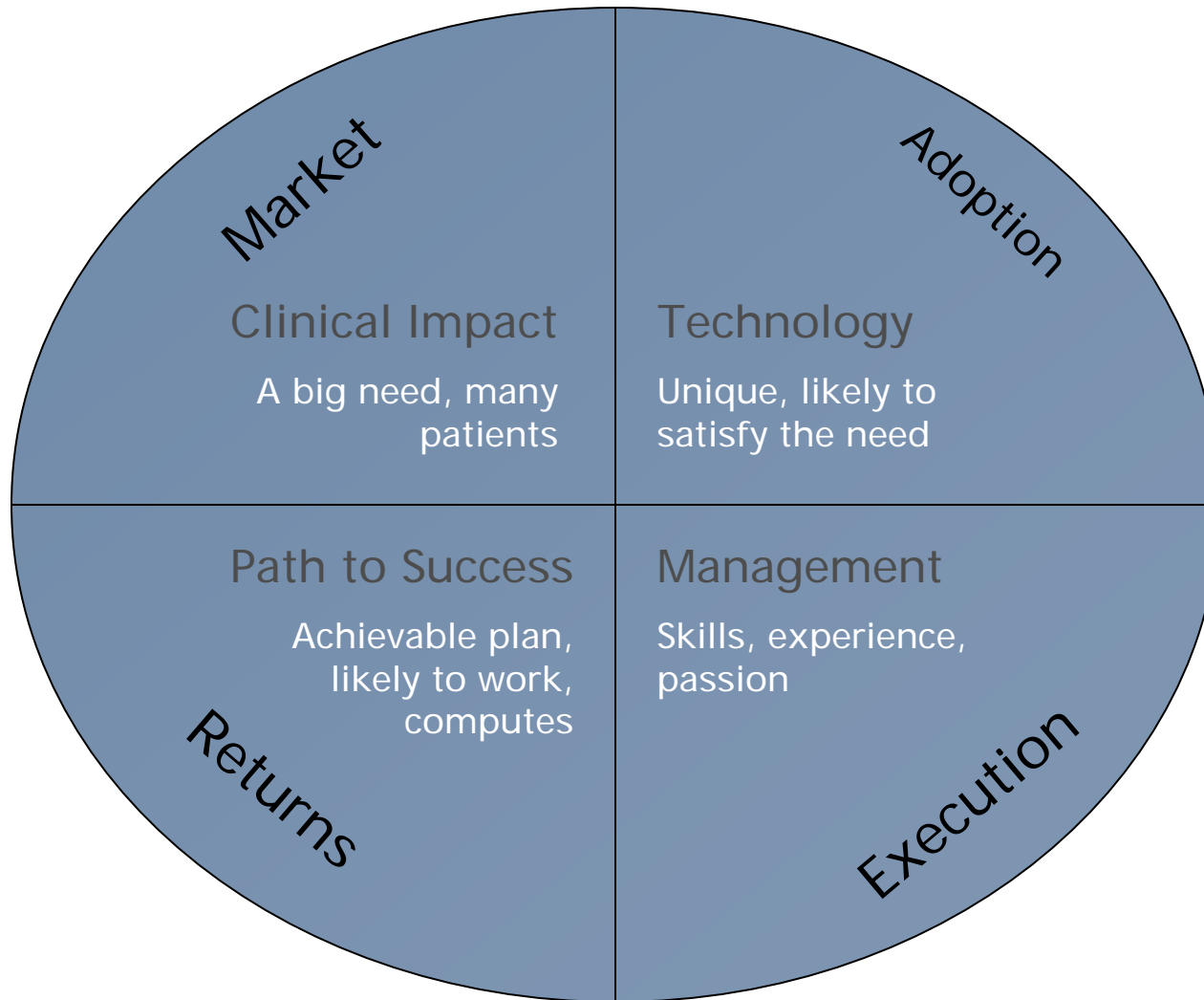
Impact of Innovation

2. Health

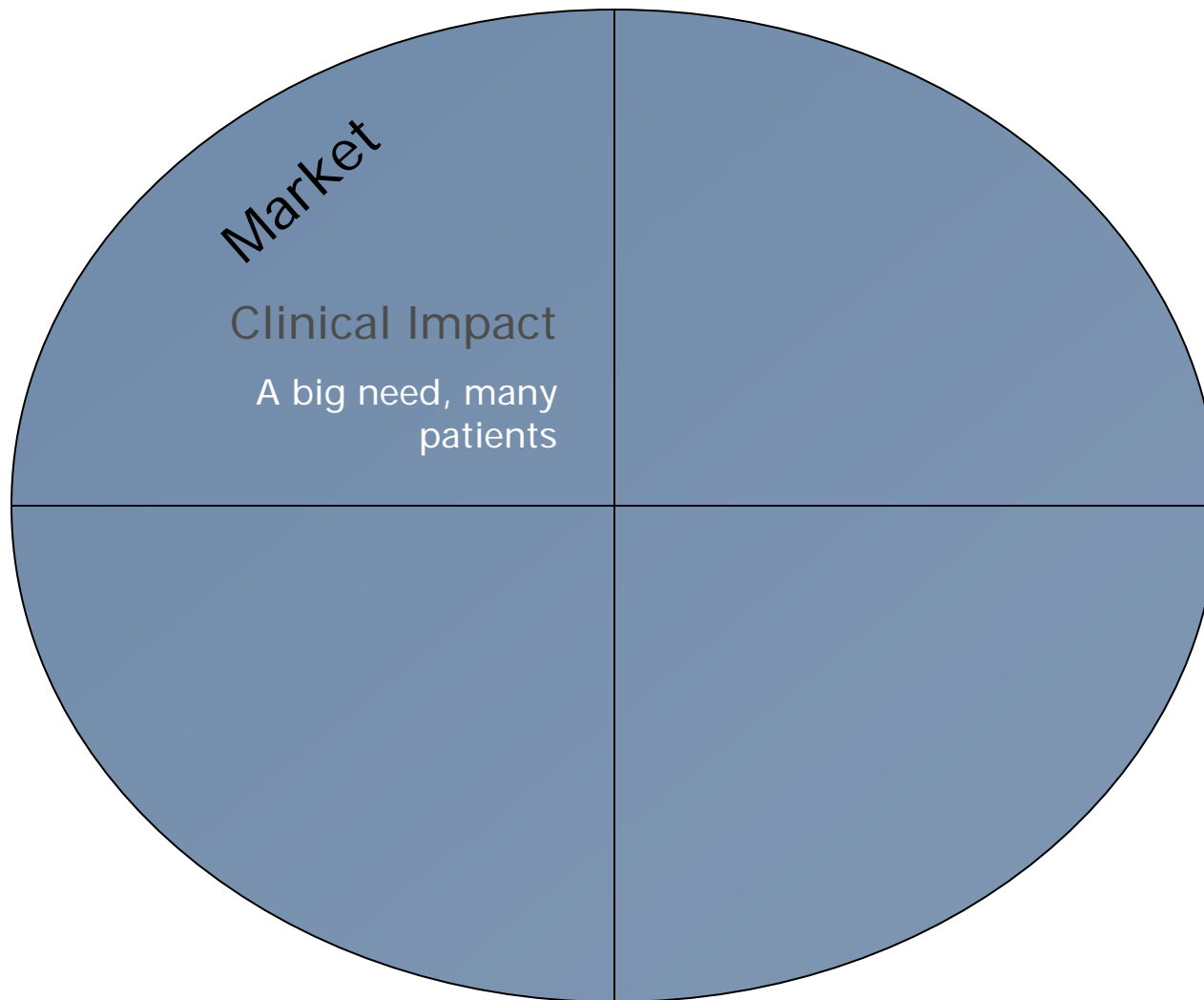
– We're involved in companies pursuing solutions for:

- Cancer
- Diabetes
- Blindness
- Stroke
- Reflux disease
- Eye disease, and vision
- Cardiac problems
- Spine degeneration
- Infection
- Obesity
- Alzheimer's
- Hypertension
- Lung disease
- Parkinson's
- Sinus surgery
- Various diagnostic tools
- Drug development
- Migraine
- Pain
- Asthma
- Senior care
- Orthodonture
- Limb fracture.....etc.

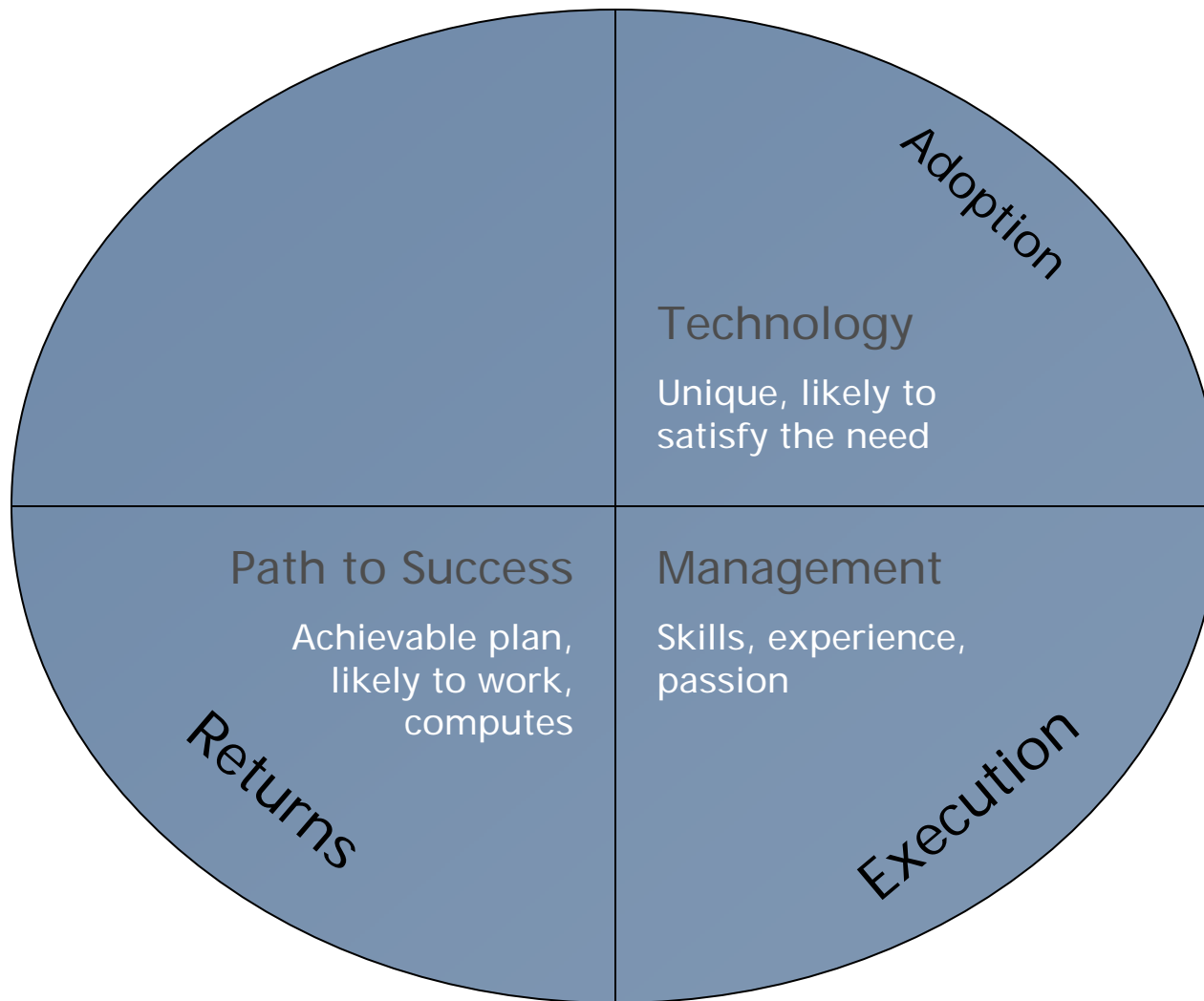
Investment Decision Factors



Investment Decision Factors



Investment Decision Factors





Local Factors

Path to success

- Cost to build the business
- Local business ecosystem

Technology

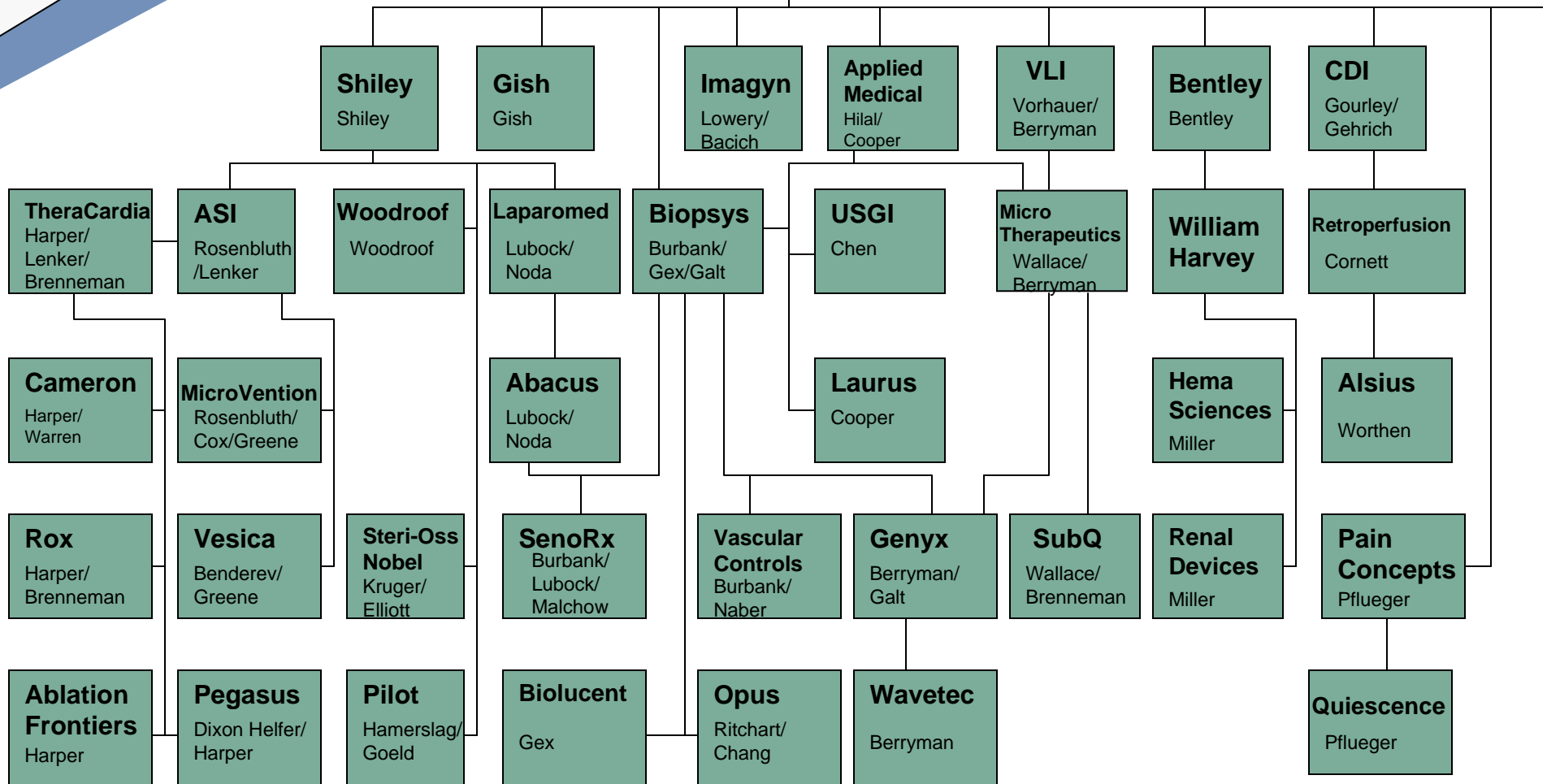
- Innovation culture and community support system
- Academic environment
- Technical infrastructure

Management

- Ability to recruit the team at all levels
- Local corporate community

Local Infrastructure

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Management

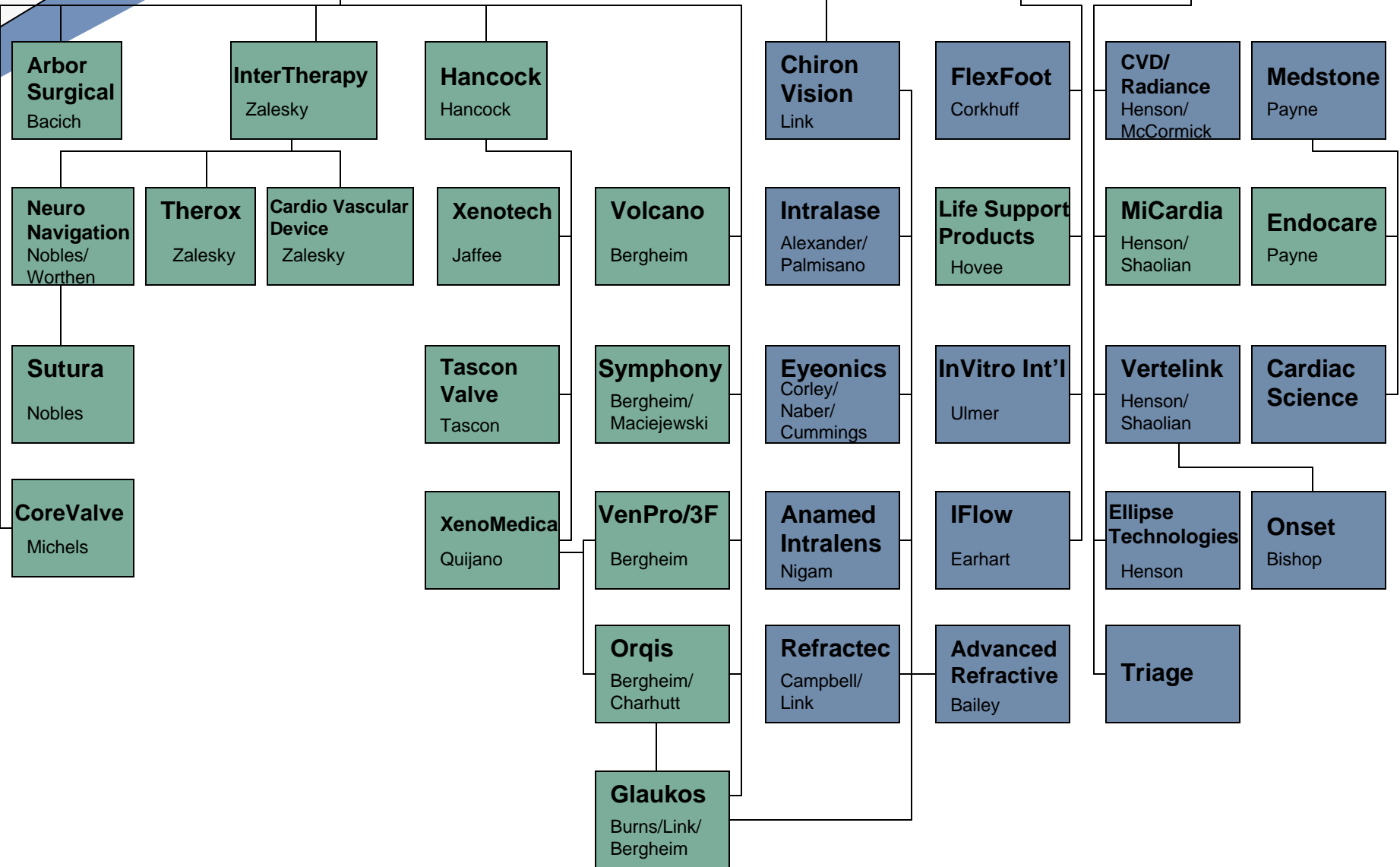


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Taking the Leap

- Myth
 - Entrepreneurs and VCs are risk takers
- Reality
 - Seek to reduce risk to the point where the entrepreneurial leap is least risky
- Facilitating risk taking and success locally
 - Smooth access to ideas and technology
 - Support resources: people, infrastructure, guidance
 - Lower cost of doing business
 - Access to seed funding