



Irrus Investments, MedTech & WxNW Syndicate Meeting
Thursday, 8th Feb 2018
Location: Royal Hospital Kilmainham

Agenda

10.00am – **Welcome to HBAN All-Island Conference**
Michael Culligan

10.10am – **MedModus** – Deaglan MagFhloinn

10.30am – **Khonsu Therapeutics** – Emer O Shea

10.50am – **Appraisee** – Colm Murphy

11.10am – Review of the companies that presented

11.40am – Update on CroíValve

11.50am – Closing comments

12.00pm – Meeting close & lunch served

Note the next syndicate meeting dates are:

- MedTech 18th May
- WxNW 25th May
- Irrus Investments 31st May

All information herein is confidential and intended only for registered Business Angels of the Halo Business Angel Network

Requirement:

MedModus is seeking a €500K investment (inclusive of €250K match funding committed from Enterprise Ireland) to scale its hospital waiting list improvement Decision Support System (DSS).

What MedModus does:

There are currently 4.25 million people on outpatient waiting lists in the UK (c. 700 hospitals) and Ireland (c. 70 hospitals), with 0.7 million waiting on the 'tail end' of these lists. This does not include the 0.2 million waiting over 12 months for inpatient and day-case procedures. All these lists are experiencing year on year growth. Millions is spent each year on private sector outsourcing, waiting list initiatives and compensation for delayed diagnosis.

MedModus was established in 2017. The company has developed a business intelligence platform for hospitals, *CareAnalytics* and a waiting list improvement Decision Support System, *fCast*, to significantly reduce hospital waiting lists. Their products go beyond data visualization to predicting performance and ensuring accountability. The company's products also include an e-learning solution (launched Jan '18), *MedModus Academy*, that teaches hospital professionals advanced healthcare analytics skills.

Present Position:

The company is self-funded to date by the CEO and founder. MedModus is currently trading and is generating revenue. *CareAnalytics* and *fCast* are deployed in a Dublin Teaching Hospital (Tallaght) and a Dublin based disability organisation (CRC). The company is also engaged in a proof of concept with an Irish Hospital Group.

IPR Position/Strategy:

MedModus are in the process of registering designs for their *CareAnalytics* and *fCast* interfaces. All relevant brand names will be trademarked. The *CareAnalytics Tasks* accountability module is in development and will go live in Apr '18.

Sales & Marketing:

MedModus adopts a direct sales approach in Ireland and the UK focusing on their waiting list improvement DSS. They target the worst performing hospitals with customer case studies, followed by product demos and are getting excellent results with this approach. They will also explore partnerships with complementary healthcare technology & consulting companies to scale more rapidly.

The Opportunity

Ageing populations mean increasing utilization of already stretched healthcare infrastructure. With limited budgetary increases national healthcare agencies and hospitals must make optimal use of available resources. Medmodus' products ensure senior administrators have waiting list performance visibility, an improvement roadmap and accountability.

MedModus will differentiate itself from competitors by building further results oriented *CareAnalytics* modules that go beyond analysis to problem resolution. MedModus will look to deliver an investor exit through trade sale in 6 years to a company in the healthcare technology or consulting space.

Financials:

P&L Summary				
€'000	2018	2019	2020	2021
Revenues	290	914	1,856	3,061
Costs	(495)	(949)	(1,524)	(2,196)
Net Profit	(205)	(36)	332	865
Net Margin	NA	NA	18%	28%
Employees Y/E	8	13	19	26

*commenced trading Jun' 17 (€125k revenue, €25k loss, 4 employees)

Company: MedModus BI Ltd

Stage of Development:
Seed

Investment required:
€500K

Sector: Hospital & Healthcare

Revenues:
2017: €125,000
2018: €290,000
2019: €914,000
2020: €1,856,000
2021: €3,061,000

Doc created: 19th January 2018

Management:

Deaglan MagFhloinn – CEO & Founder

Deaglan founded MedModus in 2017. He has a BE in Engineering and MBA from UCD. He has worked for 10 years as an independent management consultant with hospitals prior to founding MedModus and has an in depth knowledge of hospital data and how to use it to drive improvement.

Pedro MacDowell Innecco – CTO

Pedro joined the team in mid-2016. He has an MBA and a Masters of Science in BI Systems and Data Mining from De Montfort University. He is a creative, process driven applications architect with a focus on cloud and business intelligence and over 20 years of experience. He has worked in several industries including healthcare and life sciences.

Khonsu Therapeutics

📍 Biotechnology Cork, Ireland

"Developing biologics for inflammatory indications in human and animal health"

Last Updated: Feb 06, 2018



Company Summary

Khonsu Therapeutics is a Cork-based high potential startup developing biologics to treat inflammation in veterinary & human health applications. We are developing an innovative recombinant version of a placenta protein for lameness & arthritis therapy in horses. The protein has anti-inflammatory & tissue repair activities that make it ideal for use in therapy. We are pursuing fast-track USDA approval to bring this drug to market within 2/3 years

Company

URL:

<http://www.khonsutherapeutics.com>

Founded: April 2017

Employees: 2

Entrepreneur

Emer O' Shea

+353 87 757 2019 (Cell)

emer@khonsutherapeutics.com

Executive Summary

Management

Emer O' Shea, a RebelBio trained CEO, spent 3 years as a core team member in an Irish start-up company, Hooke Bio. Co-founder & Scientific Advisor Dr. Tom Moore, is a senior lecturer at the School of Biochemistry & Cell Biology at UCC. Dr. Moore is a trained veterinarian, turned scientist. Khonsu Therapeutics is a spin-off from over a decade of research from the Moore lab & the team includes business advisors & experts in the pharmaceutical area

Round Overview

Funding Stage: Seed

Capital Raised: --

Capital Seeking: €900k

Pre-Money Valuation: €2.5M

Run Rate: €0

Net Burn: €2.38k

Customer Problem

Equine joint inflammation is common, leading to poor performance & costly interventions. Current therapies for lameness have significant clinical & cost limitations, with some having serious side effects following long-term use (GI & Renal toxicity). Consequently, horses are invalidated for extensive periods with limited therapeutic options, an average of 110 rest days per event. Lack of clinical resolution may result in chronic inflammation

Team

Emer O' Shea

Product/Services

We are developing a therapeutic protein with unique anti-inflammatory & tissue repair properties expected to strongly impact equine medicine. This assessment is based on feedback from industry leaders, including European & Middle Eastern-based veterinarians & veterinary therapeutic commercialization experts. Unlike current therapies such as IRAP, we have a highly characterized product for validation in clinical trials under USDA protocols

Social

<https://www.linkedin.com/company/11154017/>

<https://twitter.com/KhonsuTherapy?lang=en>

<https://www.facebook.com/khonsu.therapeutics.5>

Target Market

Joint inflammation can occur in all equine performance disciplines. Our target is within high value working horses (e.g. racing, showing, military). With a US population of over 7.5 million, 51% of these are defined as working horses. Lameness affects 25% of the population per year, we assume our SAM at 20% of these animals. Assuming a market acquisition of 7% in Year 1, this is a total addressable market of 13,388 horses (0.18% of population)

Business Model

In Year 1 the primary strategy will be scaling of the manufacturing process & completion of clinical studies in horses. The first year will see a continuation of R&D into the formulation, shelf life & final composition. Due to the fast track process, Khonsu Therapeutics will generate revenue in Year 2/3 when the biologic reaches the market. Exit option or potential to collaborate further, developing therapeutic for the human market

Customers

Khonsu Therapeutics will initially target the high value working horses in the US. Customer feedback to date indicates there is high demand for new therapies on the market. Customers preference is for approved products (as compared to currently used IRAP and stem cell therapies) with reduced side effects and downtime

Sales/Marketing Strategy

Khonsu Therapeutics will form a partnership with a US distributor (eg. Benckmark Biolabs) to facilitate distribution through established sales channels, direct to customers. The product will be sold through vets practices, or direct to in-house veterinary teams on larger farms. The strategy will reduce the burden of forming a US Sales team, with the benefit of an existing customer base. Promotion at conferences/ meetings by team members

Competitors

Largest competitors would be veterinary pharmaceuticals such as Merck (Benamine), Boehringer Ingelheim (Buscopan), Elanco (Danilon) & Zoetis (Depo-Medrol). Unapproved therapies include Dechra (IRAP) and stem cell therapies such as AlloMT (InCell). A future competitor would be German-based GeneQuine, a gene therapy for osteoarthritis.

Competitive Advantage

The primary advantage is our product is a well-characterized native horse protein, without predicted side effects & with broad anti-inflammatory & healing properties. We estimate that the therapy will be delivered at a competitive price point (USD\$40/dose). We have an experienced team that can deliver this to market with regulatory approval

Khonsu Therapeutics Annual Financials

Summary of P&L, note the 2017 costs are equivalent to €24,600

	2017	2018	2019	2020	2021	2022	2023	2024
Revenues				\$653,429	\$952,140	\$1,456,774	\$2,403,985	\$3,031,255
Costs	\$30,500	\$620,000	\$3,436,244	\$1,015,666	\$1,162,128	\$1,234,461	\$1,443,920	\$1,572,180
Net Profit	-\$30,500	-\$620,000	-\$3,436,244	-\$362,236	-\$209,988	\$222,313	\$960,065	\$1,459,075
Net Margin	NA	NA	NA	NA	NA	18%%	66%	93%
Employees	2	6	6	6	8	8	10	10

appraisee

📍Software Galway, Ireland

"appraisee is a digital appraisal product for car dealerships empowering management make instant data-driven decisions about used-cars before they buy. "

Company Summary

The award-winning appraisee product currently has monthly recurring revenue income from Audi, BMW, Ford, Honda, Mercedes, Mitsubishi, Skoda, Toyota, and VW retailers. There are an additional 25 retailers on trial. It has established a successful partnership with BeepBeep (SIMI) here in Ireland. A full integration is complete with Experian and selling has started into the UK. A beta trial is underway in Australia.

Executive Summary

Management

Colm Murphy has worked in Autotech for the past 6 years. His award-winning and profitable software-services company App Design developed an industry-leading large-scale software product for Hertz Rent-A-Car, Thrifty, and Dollar in Ireland and Portugal used in over 500,00 rentals annually. Raj Soni, has over 15 years IT experience developing auto-related IT products for VW Bank and Northgate Vehicle Hire.

Customer Problem

The current vehicle paper-based appraisal and communication process used by sales-teams for assessing used cars lacks accountability, traceability, and access to instant data. Management also find it difficult to get detailed performance metrics on their team. Car retailers make approximately 1.5% net margin on a new car sale compared to 7% on a used car, therefore, maximising profits on part-exchanges is critical to a business's profitability.

Product/Services

With appraisee, the salesperson is guided through a check-list process to ensure all aspects of a vehicles estimated repair costs are captured. This information is combined with a unique feed of live-data from key sources to reflect the true market value of the car. appraisee communicates seamlessly with all necessary people within the appraisal cycle to create on-demand data resulting in a traceable, accountable and an auditable process.

Target Market

There are over 49,000 car retailers in the US, Europe, and Australia selling over 30 million new and over 100 million used-cars annually. In addition, there are over 150,000 + independent car dealership network in each territory. appraisee is focusing initially on retailers with 3 or more salespeople that typically have an annual IT spend of €125k or more.



Company

URL: <http://www.appraisiee.ie>

Founded: October 2016

Employees: 4

Entrepreneur

COLM MURPHY

colm@appraisee.ie

Round Overview

Funding Stage: Seed

Capital Raised: €50k

Capital Seeking: €850k

Pre-Money Valuation: €1.25M

Run Rate: €207k

Net Burn: €11.9k

Team

COLM MURPHY

Social

<https://www.linkedin.com/in/colmmurphy1/>

<https://twitter.com/appraisee1?lang=en>

Business Model

This is a SaaS subscription model currently priced at €99 per month per Primary Location, €75 per Additional Location and €25 per User. Funding will be used to add a scaled-down B2C version that would connect the retailer directly with remote potential customers. The offsite customer could then appraise their own vehicle and send to the retailer to review and price resulting in an additional revenue stream for appraiser.

Customers

--

Sales/Marketing Strategy

Their initial focus is on direct sales and establishing strategic reseller alliances. appraiser and BeepBeep (SIMI) recently entered a partnership resulting in their sales team selling appraiser to their 400 members here in Ireland. A list of 5,500 top vehicle executives is currently being used for targeting new business in the UK. Talks are underway with the Wideland Group in Australia and Al-Futtaim in the UAE about reseller opportunities.

Competitors

While there are a small number of competitors who match appraiser in using photos and videos to capture the condition of the vehicle they are unmatched when it comes to the data made available to senior management in dealerships. Autoi in the UK would be the biggest competitor - they are currently partnered with HPI. Cooper Solutions is a small company in the UK with little traction. CDK, the global DMS could be a threat also.

Competitive Advantage

The team behind appraiser have built large-scale complex IT systems that streamlined antiquated systems similar to the current error-susceptible paper-based used car appraisal process. They understand the problems faced by the industry and have built a solution that users are embracing. appraiser is the best in class in terms of UI, UX, functionality, and adaptability to integrate with third-party systems when an API is available.

appraiser Annual Financials

	2017	2018	2019	2020	2021
Client Sales	--	--	--	--	--
Revenue€	12,000	207,019	1,262,603	3,615,431	7,579,670
Expenditure€	15,000	472,112	1,086,019	2,251,581	4,429,570
Profit (Loss)€	-3,000	-265,093	176,584	1,363,850	3,150,100

HBAN All-Island Conference 2018
Expressions of interest form



Company Names

Interested
Yes/No

Investment
Amount

Comments

Any Additional Comments: