

Transcript of Yaniv Sneor of Mid Atlantic Bio Angels

Hall T. Martin: [00:00:00] Well, hello, this is Hall Martin with Inves Connect. Today I'm here with Yaniv Sneor founder of Mid-Atlantic Bio Angels. Again, mid-Atlantic Bio Angels is a New York-based life science angel investment group with the goal of bringing together the expertise required to make informed investment decisions in scientific, regulatory, and commercially complex healthcare investment opportunities.

Yani, thank you for joining us again.

Yaniv Sneor: Thank you, Hal. Thanks for having me.

Hall T. Martin: Great. So where are you calling from today?

Yaniv Sneor: I am in New Jersey, but just outside of New York City. We're a little bit outside.

Hall T. Martin: Great. And, tell us more about your background. Before this, what were you doing?

Yaniv Sneor: I originally studied physics at the university, but I quickly fell in love with the business world and ended up, as an entrepreneur starting and running and turning around and buying and selling companies.

, at some point after selling a company, I became an accidental consultant, which means, uh, sort of charging for things that I would otherwise give for free. And, eventually, started, uh, this group after recognizing that many [00:01:00] of the companies that were in the life sciences, some of them were my clients, weren't able to raise or were having difficulties raising funding because the investors couldn't quite grasp the, the value and, and the opportunity, et cetera.

So we felt that there was a, a need for this kind of an angel group to bring all that expertise together. And that's how we, we formed.

Hall T. Martin: Great. Well, you deal with a lot of life science, uh, investments that angels make. Tell us more about starting a business in this space. What does it take to be successful with it?

Yaniv Sneor: So life science is a very complex area, more so than than other areas where, you know, you could come up with a great idea and, sort of flesh it out over a weekend. And, some of those startup hackathons or whatever it is, it takes a lot more to, to start a life science company because there's, a lot of challenges.

It's, uh, commercially complex scientifically. there are so many different, areas that you have to address and so many issues you have to resolve. [00:02:00] So it's a challenging environment to, to have, uh, a business in. one of the things that we like in this environment is that the, both the entrepreneurs and the investors, That we work with has a sort of a baked in maturity to them because it isn't a simple thing to start a business in this field, and a lot of thought has to be brought into it.

And so by the time you do get into it, there's a lot of experiences, a lot of maturity. There's a lot of understanding both from entrepreneurs who come to us as well as from the industrial members that we have in the group.

Hall T. Martin: So what is the investment opportunity here with life science? Of course, it's a big space, but what, more specifically, what do you see as the returns and the opportunity?

Yaniv Sneor: So we invest in things that, uh, well specifically in therapeutics, devices, some diagnostics, and some digital health. you know, investing in life science a very risky opportunity, but it also can [00:03:00] carry, , tremendous rewards. and another benefit to everything that you do is that you. if we are successful, usually it means that patients are also benefited as well.

So you do good in, in multiple ways. the returns could be obviously very large. Usually investment horizons are in from five to seven years or so, sometimes less, sometimes more. it requires, quite a bit of expertise to diligence. And to understand those opportunities before you, you make them investments.

So our membership consists of people who either currently work for pharma device companies or have done so in the past. We have MDs who, members of the group, we have folks who have expertise in the legal aspects as well as human resources, uh, others from the financial end, uh, other from the regulatory end.

You have to understand all of those different. Parts to make a a good investment decision. , we also like to focus on opportunities that we believe are angel [00:04:00] friendly. So, you know, there opportunities are gonna require VC

type funding, where companies will need to raise 50 or hundred hundred 50 million in order to reach an exit.

but those we don't believe are the right opportunities for us, we don't think will make money there. So we try to stay within our own sandbox of companies that maybe can raise up to 20 or 25 million in total before they reach an exit. That's something that you can do with a syndicated rounds, which means.

Several angel groups get together and invest together what's called a syndicated ground. Uh, and angel groups tend to be very friendly with each other. So when we do invest in something and we reach out to other angel groups that we're friendly with, we say we've invested. Often there's a good reception from them for those companies as well.

Hall T. Martin: And so on the other side of that cable, what's the challenge in starting a business here? What do you see as the major issue?

Yaniv Sneur: There are a lot of issues in, in life science. First of all, the science, , has to work or there has to . Be enough that you [00:05:00] think could work because we we're working in some cases, in some diseases.

With models that are not predictive. we can come up with ideas and reasoning why we think what we we're doing will work, but it won't necessarily work the way we want it to, or, or at all. , you have the issues of adoption. Who's going to use it? Who's going to pay for it? it's a big challenge in our industry, uh, because if something isn't adopted as beautiful as the science is, nobody will pay for it.

It'll never become commercially successful. So, and then you have the, obviously competitive issues as every product has. Uh, you have the regulatory issues which are unique to life science companies or, or specific to life science. So you have a lot of these different and unique issues that you have to, uh, you have to resolve.

then on top of that, the number one investment criteria is personnel. It's all about the team and their ability to, shepherd an opportunity forward successfully and, monetize [00:06:00] something that at its core is very scientific and that is a challeng Challenging thing to do

Hall T. Martin: well, life science deals typically take longer than tech deals, but then they also have outsized returns.

What kind of access do you see in the life science

Yaniv Sneor: space? Yeah, so I, I agree with you on that. we do see sometimes that it takes a little bit longer. we usually don't like to go into opportunities if we don't think that we're going to expect at least a 10 x return. you know, we've gone into opportunities.

I can't discuss the, the recent exit that we've had, but it's going to make a bunch of our investors very happy. With some very nice numbers. One of our companies was very recently acquired. The device company was very recently acquired. and we'll be able to, talk more about it when everything closes and finalizes.

so, and that's gonna be a very nice exit in that specific space. We've had another exit, uh, in the past. It's yields almost a 10 x return as well. , and we have multiple companies that are still [00:07:00] performing quite well, and we hope to see returns from the next, uh, two to three years. But yeah, we, you do expect to see, uh, larger returns, especially when you invest at the angel stage, as opposed to a much later stage.

there's a, you know, where the valuations are, are lower and commensurate with a kind of, uh, risk that you're taking as investors.

Hall T. Martin: So you run a network called the Mid-Atlantic Bio Angels. What, are the differences between you and your competitors out there?

Yaniv Sneor: well first of all, our name has become a misnomer in a sense because we started the group and we thought that, you know, we're gonna be focused on the MidAtlantic.

And we very early realized that, , just because we are so narrowly focused on the areas, the therapeutic areas or the life science areas that we invest in means that we need to go geographically very broad, so we invest all over the world. originally most of our members were from the mid-Atlantic area because we would encourage people to show up in person to our meetings in New York City, but now, especially with the pandemic people have moved around the country, around the world.

so at this point, the name [00:08:00] is there, but our members are all over the country. And our companies are all over the world. So, it is what it is. I'm very happy that it is that in terms of, competitors, you know, every group, is unique in what they do and how they do things. We are one of the only groups in the world that does exclusively life science.

Other groups tend to be, more generalists in the kind of things that they invest in, but we've decided to only focus on the life sciences, and to sort of focus on the deep end of the pool of the life science. So, for instance, even when we look at digital health, we prefer things that are science heavy and data heavy as opposed to apps or things of that nature.

and we obviously are not afraid of therapeutics and devices.

Hall T. Martin: Great. So for a potential investor of this space, what advice would you give them about life science investing?

Yaniv Sneor: You know, I think that life science investing more than many other areas of investment requires so many different, points of [00:09:00] expertise that personally I would never invest on my own.

I wouldn't, you know, there are a lot of lone wolf investors out there. And I think it's easier to do it in some industries more than others. Personally, unless I have the input of the group. I can listen to a presentation and go, huh, that's, that sounds interesting. And then I listen to our post discussion review inside our group and if they go into villages to build discussion and I hear things that I never would've imagined and are critical to making a decision, and I'm glad.

I'm privy , to that kind of expertise and that kind of diversity of opinions and expertise within the group. So I think that especially in life science investing or in complex investment areas, the more voices you have, the more expertise you have, the more diversity you have, the better your decisions will be.

Hall T. Martin: Well, great. And the question I always ask people now is, what online information source do you find most helpful in your work these days?

Yaniv Sneor: [00:10:00] so in terms online information, resources, we all, are constantly scouring a variety of sources, a lot of them papers, and studies, regarding, , The various areas that we invest in, but they are usually specific to the type of investments that we make. the things that we look at generally are the, if you wanna call it the mood or the acceptance of investments or potential acquisition or the, . appetite for acquisition by our, potential acquirers in our field, such as the large pharma or the large device companies.

So we look at those on a regular basis. there's obviously a clinical trials.gov that gives you some good information about, whatever is currently in the, in the process of being approved. And, uh, we have a sponsor that is , involved in providing this kind of data and overview that we use sometimes their platform

to, to look at additional information that maybe wasn't aware, you know, available to us.

And other than that, We like to make use of tools as much [00:11:00] as we can. You know, we are a very, uh, compact and efficient, uh, trying to run in the way that we run the group. And the more tools, uh, help us do things. And we used to do Zoom before. Zoom was a, uh, a known thing, you know, because we would invest in companies all over the world and they had pitched to us from all over the world.

So it was one of those tools that we've adopted early on pre pandemic. So we, we were tool people as well.

Hall T. Martin: Great. We see a lot of new technologies and other applications out there. , what would you call out the most promising technology you've seen in recent years?

Yaniv Sneor: It's very difficult to say. I mean, in our field we don't necessarily peg ourselves to, uh, a field or an indication or a, a technology. There are obviously a lot of buzzwords coming out. You hear a lot about AI and discovery platforms, et cetera. We usually prefer to invest at the next stage, which means if you're a discovery platform, uh, once you've identified an asset, when you've discovered, that's when we could relate to it [00:12:00] better.

when you are still at a, at the discovery stage, it's a bit more, expensive for people like us to be investing at that point. and two, even, taking, uh, higher risk than we, we already are. there's an integration of data and digital into almost everything that's done, especially into devices.

So we see the convergence of those as well. But, other than that, every field, every area that we look at progresses at its own rate in different ways. Great.

Hall T. Martin: Well, as you launched and built this, group, the Mid-Atlantic Bio Angels, what's one thing you didn't expect when you actually got in there and did it?

Yaniv Sneor: I didn't expect effort that's gonna be required, to do this on a regular basis. It's, you know, . You have to stay current and you have to be involved, and you have to constantly evolve the group and to, to change the way you do things and to keep things and to engage your membership.[00:13:00]

because that's what really makes a successful group. And so that is, it's a constant effort. It's a very rewarding. Psychologically because you love to see how a group forms and grows and you love to see the interaction and, and the people that I spend time with, I, I feel very lucky to be able to do that.

but it is a lot of effort to constantly be worrying about deal flow and, and engagement and growth and all those things, which I know that everybody in our seat, in my seat feels in every other group as well. So, uh, it's not unique. To me in any way. but it is, by definition, all of our members as angel investors have a day job.

So, they, uh, trying to capture and engage their attention, and their off hours can often be

Hall T. Martin: challenging. great. Well, in the last few minutes that we have here today, what else should we cover that we haven't?

Yaniv Sneur: So we, talked about in, the way that we engage members in the way that we've grown. So it started off as a group of people who come in with their own expertise, due [00:14:00] diligence together, and invest their own money. And then we said, you know what? Let's. Add a . Diversification tool and an engagement tool, which we call, it's an internal fund, which we call a pool, and so majority of our members have joined our internal pool.

when we look at an opportunity and the diligence team, Is positively disposed. We get the entire pool engaged and at that point we ask people to vote in an open vote that everybody can see how you voted. , and people can challenge each other on the vote. And we ask every person when they do vote to put in a paragraph in terms of how they voted and why, which.

Gets people engaged, gets the discussion going, et cetera, which is very good. so those pools have been a wonderful way for us to increase the engagement. And each pool is not allowed to invest in, fewer than five companies, which means you always are guaranteed diversification of at least five companies.

Per pool investment and sometimes, even more. , and then we've, people have come to [00:15:00] us and said, we like what you're doing, but we don't have the time or the expertise to be active members of the group, but we'd love to be able to invest in the same things that you invest in.

So for that, we created a sidecar fund, which is a co-investment fund. And the co-investment fund allows people, it works on a algorithmic basis. Basically if

we invest, if we did the diligence and we made an investment and that investment meets a threshold, then the sidecar fund automatically co-invested us on those rules and ratios, uh, that we have preset.

So it allows us to come into funding rounds with more money. It provides the sidecar fund members with access to deals that they wouldn't have otherwise had access to. And these are not deals that we recommend. These are deals that we've invested in. So that's the best recommendation I think you could make.

and then, for us it means that we can come into, investments with more, more money, which gives us perhaps more, influence and around and for companies, uh, they [00:16:00] and who apply to us and end up going through the process. As difficult as it may be, they end up with a, potentially a bigger part of money at the end when they do receive an investment.

So it's a win-win win for the companies, for the group members, and for the sidecar fund investors. So we're always, uh, we're always looking to promote that as well.

Hall T. Martin: Sounds good. So how best for listeners to get back in touch with you.

Yaniv Sneur: , any email that goes into info bio angels.net, whether you, uh, you know, you want to apply, et cetera, that's always the best way.

I get copied on those emails, , or interns usually, , respond to everything first and foremost. they're the first line of, communication. we work with interns from the various, life science schools around us. So it's, uh, NYU and Mount Sinai Sloan Kettering in Columbia University in Cornell and Rutgers, and Princeton, et cetera.

And, uh, we work with our biotech communities and the pre and [00:17:00] post-docs. In the life science programs, and we teach them, about the business of the science. , so we have a great group of, of interns who work with us. So they usually respond to those emails, uh, but I'm also copied on those as well.

, our website, bio angels.net usually has a lot of the information that people wanna know in terms of how to apply to us. you can also, companies are too early can apply to pitch for feedback as opposed to pitching for. for money. , our information about our sidecar fund is also there.

Uh, people who want to join us as members can send us an, an email through the site as well, or directly through info and we'll engage with 'em also.

Hall T. Martin: Great. Well, we'll include those contact details in the show notes. I wanna thank you for joining us today and hope you have you back for a follow up again

Yaniv Sneor: soon.

Thank you so much, Hall. Appreciate it