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R E P O R T

Q&A with David Jordan – Nanospectra Biosciences

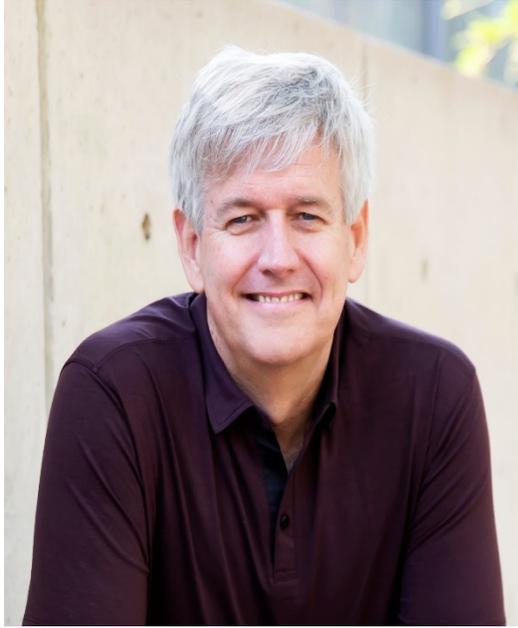
CEO

Principal Series:

Nanospectra Biosciences is a medical device company pioneering the patient-centric use of nanomedicine for selective thermal ablation. The Company's technology allows for the selective thermal ablation of solid tumors due to the preferential and passive accumulation of proprietary gold nanoshells in the leaky vasculature of neoplastic tissue. Targeted thermal ablation occurs when low power laser energy is brought into immediate proximity of the tumor tissue and is transduced via the optical properties of the gold nanoshells into heat sufficient to kill the cancer cells. The laser energy is sub-ablative in the absence of the nanoshells thus sparing healthy tissue. The inert nanoshells consist of a gold metal shell and a non-conducting silica core and serve as the exogenous absorber of the near infrared laser energy delivered by an optical fiber diffuser.



**NANOSPECTRA
BIOSCIENCES**
ULTRA FOCAL. PATIENT FOCUSED.



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What is the market opportunity in the lead prostate indication?

In the lead prostate cancer indication, the approach to focal therapy must be cognizant of both efficacy and side effects. Prostate cancer is a slow progression disease where the adverse treatment effects of erectile dysfunction and incontinence can be significant drawbacks to patient quality of life. Consequently, the opportunity to ablate a tumor/lesion on a basis conformal to the tumor's shape while sparing healthy tissue (such as vascular nerve bundles and urinary sphincter) offers a significant patient benefit.

Nanospectra's unique ultra-focal therapy for ablation of prostate tissue will occupy an attractive and important middle-ground between “active surveillance” and the established radical treatment approaches (radical prostatectomy, radiation). Paired with effective targeted fusion biopsy and the ability to properly image and visualize a lesion/region of interest, targeted treatment of the localized disease becomes an attractive option for patients seeking disease treatment and side effects avoidance. In prostate, approximately 80% of the ~175,000 annual (US only) new prostate cancer diagnoses represent localized disease. Estimates are that up to 40-50% of radical prostate treatments (surgery/radiation) could be viable candidates for effective focal therapy. 5,000 AuroLase treatments are estimated to generate \$30 million of annual revenues with only 50-60 practicing clinicians. \$60-\$100 million of annual revenues (US only) can be reasonably modeled based on the addressable market opportunity.

What are the company's current milestones?

The capital raised here will complete the pivotal clinical study in prostate and allow the company to submit its de novo 510(k) device application by an estimated late 2nd quarter 2021 timepoint. The full dataset for prostate tissue ablation will meet the FDA's published requirement for treatment of at least 100 subjects. In addition, initial clinical data in the intended second organ site should be available over the next 6-9 months in low risk papillary thyroid carcinoma (PTC). PTC shares many similarities to prostate cancer as it is prone to over-treatment with resulting negative impact on patient quality of life.

Briefly describe the company's business model.

The revenue model consists of the sale of consumable proprietary gold nanoshells and a disposable laser delivery device. Customer/facility capital investment is modest and consists of a low power laser device if necessary. Therefore, the cost of entry for a site/practice that wishes to directly understand efficacy and how the technology fits within treatment modalities and practice patterns is almost all variable. This is in comparison to material capital investment required in competing focal therapy approaches - e.g., \$500,000 - \$1,000,000 to enable high intensity focused ultrasound. AuroShells are manufactured directly by Nanospectra as a core competency at reasonable scale and cost and the disposable laser catheter was also developed by the company and is manufactured by a CMO.



David Jorden – Nanospectra Biosciences

I have now been involved directly in life science businesses for almost 20 years while my original career was on the investment buy-side as an analyst/portfolio manager. Post graduate school at Northwestern's Kellogg School, I spent about 10-11 years with an institutional Houston based money manager named Fayez Sarofim & Co. I was myself a passive investor in Nanospectra beginning in about 2005/2006 and therefore familiar with the company and the technology. I joined Nanospectra as CEO in late spring 2013 in conjunction with a recapitalization of the company which I helped structure. Contact David: david.jorden@nanospectra.com



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Alert & disclosure: *The Coronavirus (COVID-19) has now been identified in New York City. During the outbreak of the virus, in order to protect the health of our friends members and staff.*

Family Office Insights, BavelasGroup LLC and all affiliates is following the recommendations of the CDC and suggest you do the same. Affected individuals should limit their exposure to everyone including fellow members and staff.

Affected individuals include members, non-members, guests, general population and staff who exhibit Coronavirus symptoms (including but not limited to fever, cough and shortness of breath), may have been exposed to the Coronavirus, or who have recently traveled to countries affected by the Coronavirus. Limiting exposure may include self-quarantining, avoiding common areas, and limiting close contact with others as much as possible.

All are also encouraged to continue to engage in everyday preventative actions, including covering coughs and sneezes with a tissue, washing their hands often with soap and water for at least 20 seconds (or using hand sanitizer), and cleaning frequently touched surfaces and objects daily using a regular household detergent and water. We DO NOT assume or accept any responsibility for the negligence or any action or inaction of anyone. As is our standard policy, we will reschedule any service with best efforts issuing FOI services credit. There is an only services credit policy. Please note it is your choice to participate or interact in any way with anyone and is your choice alone and you assume the responsibility thereof. Family Office Insights, BavelasGroup and/or an affiliates or assigns does not offer or give medical, financial or investment advice, or offer or suggest or recommend securities or any other invest for sale or otherwise and is not a broker dealer. We do not accept success fees. Anyone considering deployment of capital will likely be well served by seeking advice from a qualified professional. I love you.

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