
Highlights: Q4, 2017

We are pleased to share Fletcher Spaght's Fourth Quarter Highlights, summarizing recent achievements within our specialized consulting practice groups. We appreciate your continued interest and support.

HIGH TECHNOLOGY PRACTICE

Patient Engagement Platform

Conducted market and technology due diligence on a post-discharge patient engagement platform leveraging secure communications and artificial intelligence-driven automated response capabilities; system has the ability to redirect patient interaction to a clinician as appropriate given specific patient responses; enables ongoing patient follow-up to improve outcomes and practice efficiency; effort included developing a market model incorporating market trends and estimating growth potential; developed a competitive landscape and assessed customer needs based on in-depth interviews with key stakeholders including clinicians and IT professionals.

HEALTHCARE PRACTICE

Sepsis

Performed an in-depth market assessment incorporating insights from multiple stakeholders within US hospitals to develop a strategic marketing plan for a novel rapid sepsis test; initial in-depth interviews were conducted with lab directors, ICU, ED, and ID clinicians, and with purchasing and finance leaders within selected hospitals; to further test and build on initial insights, developed and implemented an online survey which allowed FSI to develop an actionable market segmentation, assess price elasticity and prioritize marketing messages; insights led to, and supported, a new sales and marketing plan including: optimal pricing and discounting programs, market messaging by segment and stakeholder, sales personnel plan, publication strategy, and product improvements for a product development roadmap.

HEALTHCARE PRACTICE (cont'd)

Electrophysiology

Assisted the commercial team for a newly launched interventional device in optimizing their sales targeting and in refining the marketing messages targeted at multiple market segments; effort identified and characterized segments by technologies already in use, procedure volume and growth, receptivity to the new product, type of physician/related characteristics, *etc.*; analyzed CMS data for trends relative to this and related procedures.

Ventilation/Intubation

Conducted an in-depth analysis of current use and trends in invasive ventilation in neonatal, pediatric and adult inpatient units; utilized and integrated inpatient statistics from multiple federal and commercial sources to estimate market potential of a technology to monitor endotracheal tubes in intensive care.

Cell and Gene Therapy

Conducted due diligence on a cell and gene therapy contract manufacturing company (CMO); effort included in-depth interviews with operations leaders at large and small cell companies, as well as gene therapy-focused players, to understand their process development and production strategies, relevant economics, perspectives on key CMOs and competitive differentiation, market trends, how they select CMOs and how this can vary by situation; analyzed the current and potential market opportunity based on supply and demand; assessed the capacity for cell and gene manufacturing, focusing on the US and analyzed competitive dynamics relative to our clients; integrated findings into a perspective on the market outlook and dimensionalized the growth potential for the target company.

Advanced Visualization

Performed due diligence on the market opportunity for an advanced visualization technology for use in laparoscopic procedures in the US, EU and Japan; effort included development of a revenue model for the target based on FSI's market forecast and differentiating features of the client's products.

HEALTHCARE PRACTICE (cont'd)

Specialty Pharma

For an early stage specialty pharma company, FSI conducted market assessments and developed forecast models for three lead product candidates in the areas of post-herpetic neuralgia, subarachnoid hemorrhage and an ultra-orphan disease. Leveraging this work, FSI then collaborated with the client to develop an investor presentation to support fundraising.

Intellectually and Developmentally Disabled (IDD) Services

Conducted due diligence on opportunities in a priority geographic location in the US Southeast (as determined in prior FSI analysis) for in-home support services for the IDD population; effort examined anticipated needs for IDD services given the local/regional population, trends in provider rates, Medicaid funding (reimbursement/ waivers), characteristics of geographic-specific pay-for-service providers (*e.g.*, services, ownership, competitive position), legislative risks and the characteristics and competitive position of the target.

Women's Health

Performed due diligence on a minimally invasive treatment for fibroids exploring perspectives across a wide geography including interviews in the US, EU, Asia and Middle East; efforts included development of a treatment landscape delineating use of current solutions and the forecasted mix shift with the target technology, as well as development of a revenue model for the target in all the geographic regions explored.

Advanced Orthopedic Tools

Assessed receptivity to a novel in-development intraoperative orthopedic surgery system that leverages robotics and visualization; effort focused on the perspectives of orthopedic surgeons in the US at both academic and community institutions; findings addressed product development/enhancement considerations, sales targeting and other implications for product launch

HEALTHCARE PRACTICE *(cont'd)*

Lung Cancer

Examined unmet market needs in lung cancer therapy and assessed receptivity to a novel ablation device in development for lung cancer through in-depth interviews with Interventional Pulmonologists and Thoracic Surgeons in US and Europe; gathered perspectives on current ablative technologies, examined considerations relative to the energy source utilized and evaluated preferences relative to proprietary vs. generic generators and other aspects of the device to guide product development.

Microfluidic Cell Separation

Conducted a follow-on, in-depth assessment for a client to further explore the market opportunity for, and receptivity to, a microfluidic-based cell separation system as applied to the emerging cell-based immunotherapy sector; conducted primary research with companies engaged in clinical development in immunotherapy to understand current cell therapy bioprocessing methodologies, unmet needs, and opportunities to serve, and perspective on the product offering; analysis led to clarifying and simplifying of the product profile, and insights into key strategic partnering opportunities.

CORPORATE GROWTH PRACTICE

Technology Manufacturing and Services Provider

Conducted an FSI "War Game" to identify, assess and prioritize strategic options relative to key trends in the client's market as well as competitive challenges; effort included early in-depth interviews with multiple stakeholders within the client, preparation of a backgrounder for War Game participants on important data relative to the market and industry players to support the thought process of client participants, facilitation of a multi-day off-site to engage participants in the War Game activity; strategic options/initiatives evaluated included leveraging industry partnerships, internal R&D efforts, refining messaging to current and prospective clients, and operational initiatives.

FSI PRACTICE GROUPS

High Technology: Internet, software, electronic commerce, communications, networking, hardware, services, *etc.*

Healthcare: Healthcare informatics, devices, healthcare information technology/services, diagnostics, therapeutics, services, *etc.*

Corporate Growth: Mature business transformation, growth options, profit improvement and acquisition support.

FSI STAFF

The professionals of FSI have expertise in both strategy consulting and the industries on which we focus. To facilitate our international assignments, members of our staff are fluent in the major European languages and Chinese (Mandarin).

THE FSI SERVICE OFFERING

- Strategy Consulting
- Growth Initiatives
- Market Research
- Competitive Intelligence/Analysis
- Investment Due Diligence
- Technology Commercialization
- Corporate Partnering

FOR FURTHER INFORMATION

John Fletcher, Peary Spaght or Linda Tufts

Fletcher Spaght, Inc.
500 Boylston Street
Boston, MA 02116-3761

(617) 247-6700
(617) 247-7757 (fax)

<http://www.fletcherispaght.com>

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FLETCHER SPAGHT, INC.
