

Shared Labs: A Guide for Venture Capitalists

The Capital-Efficient Path for Biotechs

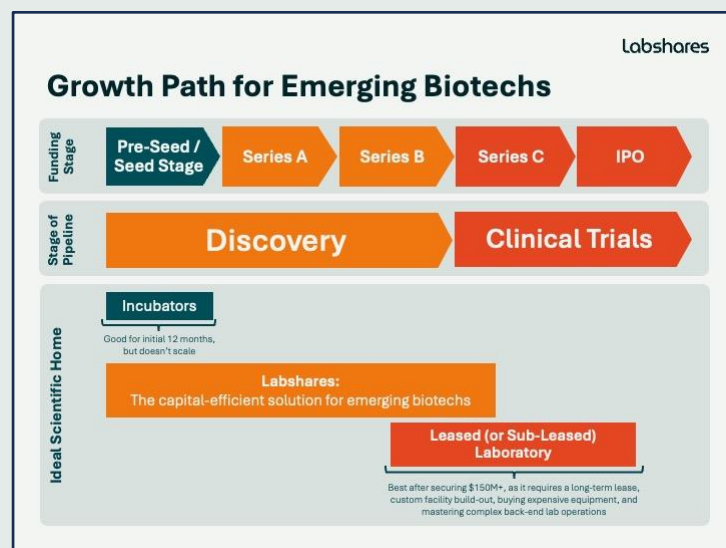
How VCs can maximize the odds of success for portfolio companies

The Challenge: Lab Setup for Emerging Companies

Emerging biotech and life science companies face steep hurdles in establishing laboratory operations. **Incubators** can be a solution for a company's first 12 months, but incubators don't allow companies to seamlessly scale from Seed through Series A, B, and C funding. Alternatively, **traditional laboratory leases** (or sub-leases) demand long-term commitments, significant capital investment, and specialized operational expertise—costly distractions from scientific progress.

As trusted partners, VCs play a pivotal role in helping their portfolio companies operate efficiently and hit their milestones. Shared laboratories are the emerging go-to model for capital efficiency, allowing your companies to allocate resources where they matter most: advancing science and hitting milestones.

The Solution: Why Shared Labs Are the Smart Choice for VCs



Shared laboratories have emerged as the preferred infrastructure solution for emerging biotechs, offering flexibility, scalability, and capital efficiency. They eliminate the need for portfolio companies to bear the burden of heavy upfront investments in lab space, equipment, and operational services.

- **Flexibility and Scalability:**
 - Labshares is a strategic solution for a variety of portfolio clients ranging from startups through Series A and B companies through IPO.
 - Shared labs give companies the freedom to flex overhead costs as their needs change.
- **Turnkey Operations:**
 - Fully equipped spaces provide immediate access to +\$7M in advanced scientific equipment, enabling startups to begin experiments within days.
 - Manages essential services—lab safety, waste disposal, equipment calibration, permitting, and more—so companies can concentrate fully on their science.
- **Capital Efficiency:**
 - Bundled pricing includes space, equipment, and lab services, significantly reducing hidden costs like taxes, utilities, and maintenance fees.
 - Transparent pricing eliminates surprises, making financial planning predictable and straightforward.

Labshares: Designed with VCs in Mind

Labshares' CEO, Philip Borden, began his career as a biotech VC at Frazier Healthcare. While there, he saw first-hand the challenges faced by emerging biotechs. He recognized that shared laboratories, like Labshares, offer the ideal solution:

- **Optimized for Growth:**
 - Labshares offers the flexibility for growth-stage companies to scale seamlessly and stay for multiple years, adding space only as needed.
 - World-class, meticulously maintained equipment with >99% uptime ensures emerging biotechs have the tools needed to succeed.
- **Deep Operational Support:**
 - All back-end lab ops are handled by Labshares, freeing your scientists to focus.
 - A proven onboarding process ensures companies can hit the ground running.
- **Exceptional Customer Satisfaction:**
 - 80% of our members give Labshares their highest possible marks.
 - The community-driven environment fosters collaboration and creativity.
- **Strategic Location:**
 - Located in Newton, MA, Labshares combines proximity to Boston and a rich talent pool with ample free parking, all while avoiding Kendall Sq's logistical hassles.
 - Unlike some incubators, Labshares welcomes visitors, making it convenient for meetings with investors and key strategic partners.

Trusted by Leading VCs

Labshares has a long history of successful partnerships with venture-backed companies. VCs who have placed portfolio companies at Labshares include:

- | | | |
|------------------------|-----------------------------|-------------------------|
| • 5AM Ventures | • Eli Lilly | • OrbiMed |
| • ARCH | • Fidelity | • RA Capital |
| • Atlas Venture | • Frazier Healthcare | • Roche Ventures |
| • Bain Capital | • NewPath Partners | • Sofinnova |

VCs: Equip Your Portfolio for Success

Help your portfolio companies achieve their milestones faster and more efficiently by partnering with Labshares. Visit [Labshares.com](https://www.labshares.com) to learn more about how we can support your investments.

Appendix A: Cost Comparison

To understand the true cost of operating a lab, below is a cost analysis that compares (A) the total cost for a laboratory sublease, including rent, equipment and lab services, and (B) the total cost for a shared laboratory.

	All-In Cost for a Biotech with 2-4 FTEs		All-In Cost for a Biotech with 10-15 FTEs	
	Sublease (Micro)	Labshares Benches	Sublease (Small)	Labshares Private Suite
1. Lab space rental				
Square footage (1)	2,000	Included	6,500	Included
Rent per sq. ft	\$80.00	Included	\$80.00	Included
Taxes + Utilities + CAM fees	\$25.00	Included	\$25.00	Included
Annual rent expense (2)	\$210,000	Included	\$682,500	Included
2. Laboratory Equipment				
Lab Equipment (total price)	\$510,800	Included	\$792,400	Included
Annual cost of 3-year equipment lease (3)	\$187,293	Included	\$290,547	Included
3. Back-End Laboratory Services				
Annual cost of lab services and personnel	\$269,700	Included	\$593,250	Included
Total Annual All-In Cost	\$666,993	\$153,000	\$1,566,297	\$570,000

(1) Finding attractive sublease space under 10k sq. ft. is challenging.
 (2) No build-out costs assumed for sublease option.
 (3) Includes 7% annual financing for lab equipment lease.

Labshares' all-inclusive model saves 60-70% vs. subleases. You know exactly what you'll pay, no surprises.

Question: "What's one piece of advice you'd offer to biotech CEOs today?"

Answer: "I'm telling every company: **Don't build cathedrals!** Be nimble and flexible, both with your space and with hiring. That's the way forward in this environment."

- Camille Samuels, biotech VC at Venrock, 2024