

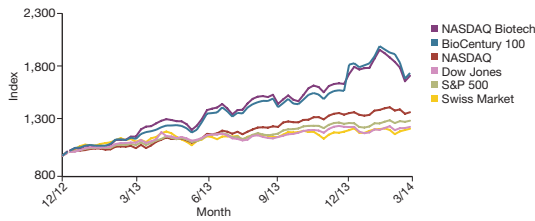
1Q14—Companies flush, investors snatch profits

Walter Yang

The BioCentury 100 declined 14% from its all-time high on February 27, but still ended higher than the general indices. Excluding partnership monies, \$19 billion was raised—the highest amount since 4Q11. Private companies raised \$1.9 billion. Thirty-six companies raised \$2.6 billion

Stock market performance

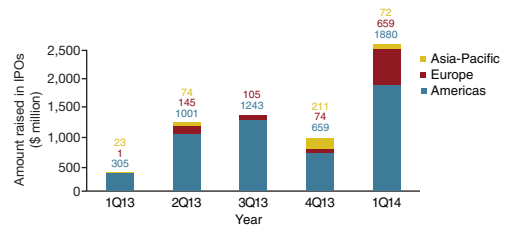
The BioCentury 100 and NASDAQ Biotechnology indices were up 10% and 4%, respectively, but signs of volatility and/or investor profit taking were apparent.



going public, with 95 firms raising \$6.5 billion over the past 15 months). Demand for follow-on financings and private investments in public equity (PIPEs) was also up. Debt financings totaled \$8 billion, led by a \$4-billion note by Gilead (Foster City, CA, USA).

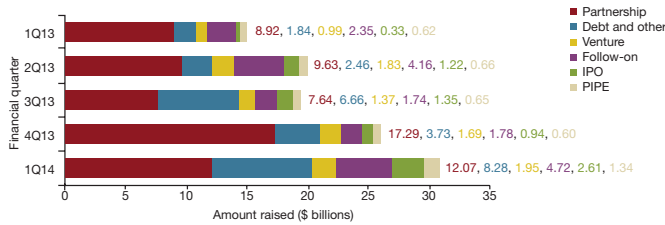
Global biotech initial public offerings

36 US companies raised \$2.6 billion via IPOs in 1Q14 versus 7 raising \$329.2 million in 1Q13.



Global biotech industry financing

Excluding partnerships, biotechs raised \$18.8 billion in 1Q14, more than threefold the \$6.1 billion raised in 1Q13.



IPO, initial public offering; PIPE, private investment in public equity. Source: BCIQ: BioCentury Online Intelligence, Burrill & Co.

Notable 1Q14 deals

IPOs			
Company (lead underwriters)	Amount raised (\$ million)	Change in stock price since offer	Date completed
Circassia (JP Morgan)	334	-3%	3/13/14
Acucela (Mitsubishi UFJ; Morgan Stanley)	162	-12%	2/3/14
Versartis (Morgan Stanley; Citigroup)	145	43%	3/20/14
Ultragenyx (JP Morgan; Morgan Stanley)	139	133%	1/30/14
Akebia (Morgan Stanley; Credit Suisse; UBS)	115	15%	3/20/14
Revance (Cowen; Piper Jaffray)	110	97%	2/5/14

Venture capital			
Company (lead investors)	Amount raised (\$ million)	Round number	Date closed
Glycotope (Jossa Arznei; Eckert Life Science Accelerator)	76	ND	3/11/14
Human Longevity ^a	70	1	3/4/14
Novimmune (Rosetta Capital)	67	2	2/18/14
C3 Jian (Renaissance Holding)	61	4	3/17/14
Kolltan (KLP Enterprises)	60	4	3/26/14

Mergers and acquisitions			
Target	Acquirer	Value ^b (\$ million)	Date announced
Cadence	Mallinckrodt	1,400	2/11/14
Vidara Therapeutics ^c	Horizon Pharma	660	3/19/14
PreCISION Dermatology	Valeant	500	2/3/14

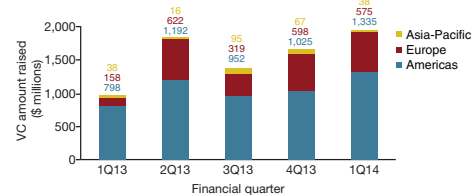
Walter Yang is Research Director at BioCentury.

	1Q13	2Q13	3Q13	4Q13	1Q14
Americas	5	12	15	9	26
Europe	1	5	2	1	8
Asia-Pacific	1	2	0	6	2

Table indicates number of IPOs. Source: BCIQ: BioCentury Online Intelligence

Global biotech venture capital investment

Private biotechs raised \$1.9 billion in 1Q14, twofold up from 1Q13.



	1Q13	2Q13	3Q13	4Q13	1Q14
Americas	63	68	69	66	64
Europe	30	48	27	33	28
Asia-Pacific/other	5	3	4	5	6

Table indicates number of VC investments and includes rounds where the amount raised was not disclosed. Source: BCIQ: BioCentury Online Intelligence.

Notable 1Q14 deals (continued)

Licensing/collaboration			
Researcher	Investor	Value ^b (\$ millions)	Deal description
Edison	Dainippon Sumitomo	4,295	Develop compounds targeting cellular energy metabolism
Ablynx	Merck	2,341	Develop an undisclosed number of nanobodies for undisclosed immune checkpoint modulators in cancer
Alnylam ^d	Sanofi	900	Options to exclusively license outside North America and Western Europe short interfering RNAs against genetically defined targets in unmet needs
Jazz Pharmaceuticals	Aerial BioPharma	397	Rights to develop and commercialize ADX-N05, except in countries in Asia where SK Biopharmaceuticals has rights
Five Prime	Bristol-Myers Squibb	351	Identify targets in two undisclosed immune checkpoint pathways

^aLead investor not disclosed. ^bValues include milestones. ^cReverse merger. ^dValue includes \$75–200 million in milestones per one product. Source: BCIQ: BioCentury Online Intelligence