Partnering A Platform Technology Today When Companies Want A Drug Tomorrow

October 16, 2012
Panelists

Hemmie Chang, Esq.
Chair, Licensing & Strategic Alliances
Group, Partner, Life Sciences Group

Jonathan Goldman
Senior Director, Business Development &
New Product Planning

Jigar Raythatha
Head of Corporate Development

Kevin Sin
Head of Oncology Partnering

David L. Snitman, Ph.D.
Chief Operating Officer &
Vice President, Business Development
2012 Changes in Funding Sources

Increase due mainly to investments in medical device and diagnostics companies
Drug development / therapeutics remained flat

<table>
<thead>
<tr>
<th>July 2012 Life Sciences Scorecard (USD M)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Source</th>
<th>2012*</th>
<th>2011*</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Venture Capital</td>
<td>7,214</td>
<td>5,809</td>
<td>24.2</td>
</tr>
<tr>
<td>U.S. VC</td>
<td>5,410</td>
<td>4,355</td>
<td>24.2</td>
</tr>
<tr>
<td>IPOs (21 in 2012 v. 35 in 2011)</td>
<td>1,511</td>
<td>3,241</td>
<td>-53.4</td>
</tr>
<tr>
<td>U.S. IPOs (11 in 2012 v. 13 in 2011)</td>
<td>771</td>
<td>1,111</td>
<td>-30.6</td>
</tr>
<tr>
<td>Global PIPEs</td>
<td>3,696</td>
<td>2,400</td>
<td>54.0</td>
</tr>
<tr>
<td>U.S. PIPEs</td>
<td>947</td>
<td>1,052</td>
<td>-10.0</td>
</tr>
<tr>
<td>Global Follow-ons*</td>
<td>4,664</td>
<td>7,673</td>
<td>-39.2</td>
</tr>
<tr>
<td>U.S. Follow-ons*</td>
<td>4,165</td>
<td>4,051</td>
<td>2.8</td>
</tr>
<tr>
<td>Global Other Equity</td>
<td>1,045</td>
<td>482</td>
<td>116.9</td>
</tr>
<tr>
<td>U.S. Other Equity</td>
<td>928</td>
<td>198</td>
<td>369.9</td>
</tr>
<tr>
<td>Global Debt Offerings</td>
<td>14,037</td>
<td>29,004</td>
<td>-51.6</td>
</tr>
<tr>
<td>U.S. Debt</td>
<td>9,734</td>
<td>15,484</td>
<td>-37.1</td>
</tr>
<tr>
<td>Global Other Debt</td>
<td>12,481</td>
<td>9,119</td>
<td>36.9</td>
</tr>
<tr>
<td>U.S. Other Debt</td>
<td>11,056</td>
<td>3,511</td>
<td>214.9</td>
</tr>
<tr>
<td>Total Global Public Financings</td>
<td>37,434</td>
<td>51,919</td>
<td>-27.9</td>
</tr>
<tr>
<td>Total U.S. Public Financings</td>
<td>27,601</td>
<td>25,406</td>
<td>8.6</td>
</tr>
<tr>
<td>Global Partnering</td>
<td>19,585</td>
<td>22,825</td>
<td>-14.2</td>
</tr>
<tr>
<td>U.S. Partner/Licenser</td>
<td>12,130</td>
<td>14,478</td>
<td>-16.2</td>
</tr>
<tr>
<td>Global M&amp;A</td>
<td>78,191</td>
<td>126,311</td>
<td>-38.1</td>
</tr>
<tr>
<td>M&amp;A, U.S. Target</td>
<td>57,296</td>
<td>67,752</td>
<td>-15.4</td>
</tr>
</tbody>
</table>
Pharma Licensing Trends 2007 - 2011

Number of Licensing Deals

Average Total Value of Licensing Deals

2012 Licensing Activity on the Decline

Aggregate Spend for JVs and Licenses

- **Upfronts**
  - First Half 2011: $1.2B
  - First Half 2012: $841.6M
  - 30% increase from last year

- **Size**
  - First Half 2011: $14.3B
  - First Half 2012: $9.5B
  - 34% decrease from last year

- **Milestones**
  - First Half 2011: $13.8B
  - First Half 2012: $8.6B
  - 37% decrease from last year

Source: Deloitte Recap Webinar Series, August 14, 2012

© 2012 Foley Hoag LLP. All Rights Reserved.
Changes in 2012 Deal Activity

Licenses & JVs – Products or Platform Technologies

Source: Deloitte Recap Webinar Series, August 14, 2012
Discovery Platform Technologies or Therapeutic Products –
Average Potential Size by Stage at Signing

Source: Deloitte Recap Webinar Series, August 14, 2012
2012 Changes in Platform vs. Therapeutic Deals

Source: Deloitte Recap LLC's DEAL Builder
Discovery Platform Technologies and Therapeutic Products – Average Upfront Payments by Stage at Signing

Source: Deloitte Recap Webinar Series, August 14, 2012
2012 Changes in Milestones

Discovery Platform Technologies and Therapeutic Products – Average Milestone Payments by Stage at Signing

Source: Deloitte Recap Webinar Series, August 14, 2012
Discussion

Hemmie Chang
Chair, Licensing & Strategic Alliances Group, Partner, Life Sciences Group

Jonathan Goldman
Senior Director, Business Development & New Product Planning

Jigar Raythatha
Head of Corporate Development

Kevin Sin
Head of Oncology Partnering

David L. Snitman, Ph.D.
Chief Operating Officer & Vice President, Business Development

Q&A