

LIFE SCIENCES FINANCING SUMMARY EUROPE

Initial coverage
February 2014

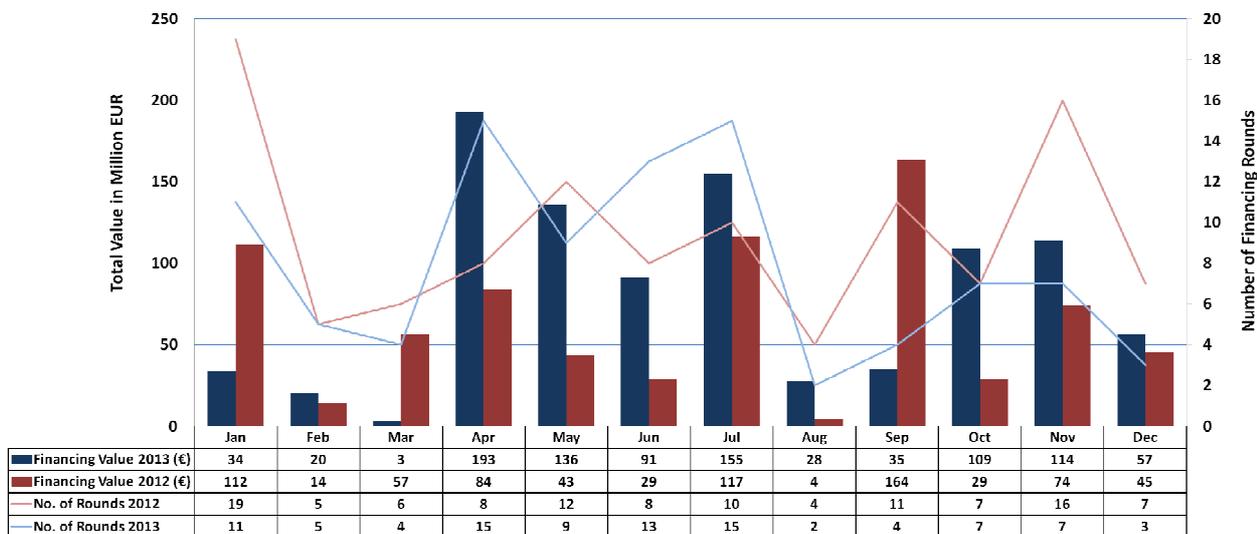
2013 saw a 26% increase in total financing for European biotechs (Therapeutic and Diagnostics companies) compared to the previous year, on the back of a decrease in financing rounds. Indeed, the average financing round increased 50%, from EUR 6.8m in 2012 to EUR 10.2m in 2013.

The high and low points in 2013 occurred respectively in April, with EUR 193m raised in 15 financing rounds, and in March with EUR 3m raised in 4 rounds. By May 2013, the cumulative financing value of 2013 had surpassed that of 2012, though the cumulative number of rounds only surpassed 2012 levels in the months of July and August. In 2012, the highest financing value was observed in September which, raised in 11 rounds, amounted to EUR 164m, while the lowest occurred in August, amounted to EUR 4m and was raised through four financing deals.

In terms of seasonality, in both years February and August were months in which activity in the industry was limited both in total financing and number of financing rounds. February in particular saw the lowest average financing rounds in 2013 at EUR 5.2m and second lowest in 2012 at EUR 3.4m in 2012 (only January was lower at EUR 3.1m). In contrast, July was in both years a rather busy month with its 2013 (2012) figures, ranking 2nd (2nd) highest in terms of financing value and 1st (5th) highest in terms of number of financing deals.

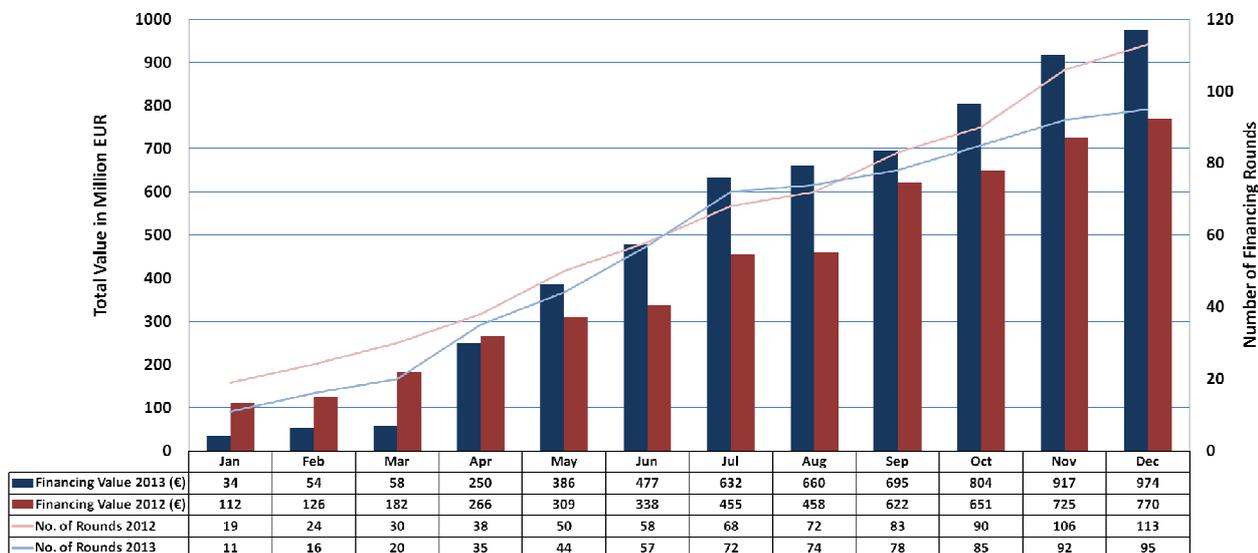
Europe's largest financing deal for the year 2013 took place in May, when Danish Symphogen closed its private equity round to reach a total of EUR 141m. In 2013 all deals above EUR 30m took place from April onwards. Continue reading below to learn more about the industry, where we highlight the largest deals of 2013, and summarize the financial deals for the past year.

EU - Biotech Therapeutic Financing Rounds



*The graph contains only financing rounds of private & independent biotech therapeutic and diagnostic companies. Financing amounts and number of rounds from previous months may alter as new information on financing rounds is received and/or new tranches to existing financing rounds are added.

EU - Biotech Therapeutic Financing Rounds (Cumulative)



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Selected financing highlights

December 2013

Covagen Secures CHF 42m (EUR 34.3m) in Series B Financing - Covagen

Covagen announced on the 9th of December, 2013, that it had secured CHF 42m (EUR 34.3m) in a tranching Series B financing with an option to obtain an additional CHF 14m (EUR 11m) that would increase the total amount of the financing round to CHF 56m (EUR 45.7m). This is one of the largest private financing rounds for a preclinical-stage biotech company in Europe.

This financing will mainly support the clinical development of Covagen's lead FynomAb® COVA322, the first clinical candidate generated using Covagen's proprietary FynomAb platform technology. This bispecific TNF/IL-17A inhibitor for the treatment of rheumatoid arthritis, psoriatic arthritis and other inflammatory diseases has a novel mechanism of action not accessible with monoclonal antibodies. COVA322 is expected to enter clinical trials in early 2014.

The financing is led by new investor Gimv with CHF 8.3m (EUR 6.8m) and includes the participation of new investor Ascent Biomedical Ventures and existing investors Novartis Venture Fund, Edmond de Rothschild Investment Partners, Seroba Kernel Life Sciences, Ventech and MP Healthcare Venture Management, Inc. Previously, the company had raised a total of CHF 14m. In conjunction with the financing, Dr. Karl Naegler, Partner Health & Care at Gimv, and Avi Kometz, M.D., partner at Ascent Biomedical Ventures, have joined the board of directors. (Source: Press Release)

November 2013

Ganymed Pharmaceuticals Closes EUR 45m

Ganymed Pharmaceuticals AG, a biopharmaceutical company developing highly selective Ideal Monoclonal Antibodies (IMABs) for the treatment of cancer, announced on the 18th of November the completion of a EUR 45m Series E financing from existing investors ATS Beteiligungsverwaltung GmbH, MIG Fond, and FCPB Gany GmbH.

Ganymed will use the proceeds to accelerate the clinical development of its lead program IMAB362, including completion of the ongoing Phase IIa and IIb clinical trials in gastroesophageal cancer, and to prepare this first-in-class antibody for a Phase III study. Concomitantly, the Company will clinically validate its IVD test, CLAUDETECT™18.2, as a predictive companion diagnostic test to IMAB362. The financing will also allow Ganymed to conduct a Phase I/II clinical study of IMAB027 in ovarian cancer and develop a companion diagnostic test for this antibody.

Ganymed is a private company that was founded in 2001 as a spin-off from the Universities of Mainz and Zurich. Its majority shareholder is ATS Beteiligungsverwaltung GmbH. Other investors include Future Capital AG, MIG Fonds, FCPB Gany GmbH, and private individuals. (Source: Press Release)

October 2013

immatics closes EUR 34m Series D financing

immatics biotechnologies GmbH, a clinical-stage biopharmaceutical company developing advanced multi-peptide cancer vaccines that are active against cancer, announced on the 15th of October 2013, that it has closed a EUR 34m Series D financing round to complete phase III development of IMA901 for renal cancer.

The funding round was supported by existing investors including dievini Hopp Biotech holding, Wellington Partners, MIG-advised funds and AT Impf GmbH. Under the terms of the fundraising, immatics will receive the first EUR 12m tranche of funding immediately.

The new funds will enable immatics to conclude the development of its lead vaccine IMA901, including completing all of the activities necessary to prepare for regulatory filings in the US and Europe. IMA901 – a cancer vaccine comprising 10 different tumor-associated peptides (TUMAPs) that are found to be highly over-expressed in the majority of patients suffering from renal cell carcinoma (RCC) – is in a pivotal phase III trial. It has orphan drug designation in the US and Europe for the treatment of RCC in HLA-A*02 positive patients. Interim overall survival results are expected in 2014, with final data in 2015. (Source: Press Release)

Merus Secures EUR 31m in Series B Round Extension (total of EUR 47.6m)

On the 3rd of October 2013, Merus B.V., a biopharmaceutical company focusing on innovative human antibody therapeutics, announced a EUR 31m extension to its Series B financing round, bringing the total round to EUR 47.6m.

Johnson & Johnson Development Corporation (JJDC) joined as a new investor along with existing investors Novartis Venture Fund, Pfizer Venture Investments, Bay City Capital, LSP (Life Sciences Partners), and Aglaia Oncology Fund. A representative of JJDC will join Merus' Board of Directors. Merus will use the new funds to broaden its portfolio of pre-clinical programs for the treatment of cancer patients and to bring its lead programs into phase I clinical testing.

Earlier this year, Merus presented encouraging research and preclinical data of MCLA-117, a product candidate to treat acute myeloid leukemia, a disease with very poor long-term

prognosis. MCLA-117 is based on Merus' proprietary Biclomics™ ENGAGE platform and is currently in development. (Source: Press Release)

July 2013

uniQure raises EUR 45m in equity and collaboration financing

uniQure B.V., a leader in human gene therapy, announced on the 9th of July 2013 the signing of collaboration agreements with Chiesi Farmaceutici SpA for the commercialization of Glybera, as well as the co-development of a gene therapy for hemophilia B. In connection with this transaction, uniQure has received EUR 17m in collaboration financing and EUR 14m in equity financing from Chiesi, and has converted into equity the previously announced EUR 14.1m investment led by Collier Capital (London, UK) with participation by existing investors.

uniQure's agreement with Chiesi, an international company headquartered in Parma, Italy, gives Chiesi exclusive rights to commercialize Glybera, the first gene therapy product approved in the European Union for the treatment of the orphan disease lipoprotein lipase deficiency (LPLD) for which there is currently no treatment, as well as for uniQure's pipeline product for hemophilia B, in Europe and selected other countries (Brazil, Mexico, Pakistan, Turkey, Russia, and the CIS countries, plus China for Glybera only). Commercial rights for the US, Japan, and parts of Latin America and Asia, and Australasia remain with uniQure. In exchange, uniQure stands to receive net royalties that range from 20 to 30% over time on sales of both products. Furthermore, Chiesi will fund half of the remaining development costs for uniQure's hemophilia B program, as well as take an equity stake in uniQure.

The investment by Chiesi will also result in the conversion into new uniQure shares of the EUR 14.1m in convertible debt the Company recently raised from Collier Capital, a leading global private equity investor, and existing investors Forbion Capital Partners, Gilde Healthcare Partners, Lupus Alpha, Grupo Netco and others. (Source: Press Release)

May 2013

Opsona Therapeutics Ltd raises EUR 33m Series C

Irish Opsona Therapeutics Limited ('Opsona') announced on the 29th of April 2013 that it has raised EUR 33m in an oversubscribed Series C financing. The participants in this Series C financing include existing investors, Novartis Venture Fund, Fountain Healthcare Partners, Roche Venture Fund and Seroba Kernel Life Sciences. The new investors joining the consortium are BB Biotech Ventures, Sunstone Capital, Baxter Ventures, Amgen Ventures, and EMBL Ventures. BB Biotech Ventures and Novartis Venture Fund led the Series C financing round. BB Biotech Ventures, Sunstone Capital and Baxter Ventures will be joining the board of directors.

Opsona is developing new treatments for inflammatory diseases and will use the proceeds to conduct a two-part multi-centered, double blinded and placebo controlled clinical study to evaluate the safety, tolerability and efficacy of its lead product OPN-305 in renal transplant patients at high risk of Delayed Graft Function (DGF).

This is the first clinical indication for OPN-305, a fully human monoclonal IgG4 antibody targeting Toll-like-receptor-2 (TLR2). Opsona recently completed a successful Phase I clinical trial in healthy human volunteers and has also demonstrated activity in preclinical animal models and ex-vivo studies. (Source: Press Release)

Symphogen expands private equity round, for a total of EUR 141m

Symphogen (Lyngby, Denmark), a private biopharmaceutical company developing recombinant antibody mixtures, announced that it closed an expansion of its previously announced EUR 100m financing attaining a total of a EUR 141m placement of preferred stock to a group of existing investors.

Novo A/S and PKA led the expansion with investments of EUR 20m each, while Danica Pension, participated with its pre-financing ownership share of the additional financing.

The proceeds of the financing will be used to advance and expand Symphogen's proprietary oncology product pipeline of antibody mixture products addressing multiple targets in a single drug product. (Source: Company website)



April 2013

Auris Medical secures CHF 47.1m (EUR 38.6m) Series C

Auris Medical, a company dedicated to the development of novel therapeutics for the treatment of inner ear disorders, announced on the 16th of April 2013 the completion of a CHF 47.1m (EUR 38.6m) Series C financing. Two leading venture capital firms, Sofinnova Ventures (Menlo Park, CA USA) and Sofinnova Partners (Paris, France), participated in the financing.

The funding will enable Auris Medical to advance its two clinical projects, AM-101 for the treatment of acute tinnitus and AM-111 for the treatment of acute inner ear hearing loss, through Phase III studies and ultimately to market launch. In connection with the fund raising, Jim Healy, MD, PhD, General Partner at Sofinnova Ventures, and Antoine Papiernik, MBA, Managing Partner at Sofinnova Partners, joined Auris Medical's Board of Directors. (Source: Press Release)

GenSight Biologics raises EUR 32m in a Series A financing

GenSight Biologics, a biopharmaceutical company focused on the development of ophthalmic therapeutics using gene therapy, announced on the 8th of April 2013 the closing of a EUR 32m Series A financing.

The financing was co-led by Novartis Venture Fund, Abingworth LLP, Versant Ventures and Index Ventures. GenSight will use the funds to develop a gene replacement therapy for Leber's hereditary optic neuropathy (LHON) and an optogenetic therapy for retinitis pigmentosa (RP). The lead product is expected to enter the clinic in 2013 in LHON patients.

Florent Gros of Novartis Venture Fund will join the board of directors, along with Dr Genghis Lloyd-Harris (Abingworth) and Dr Guido Magni (Versant). (Source: Press Release)

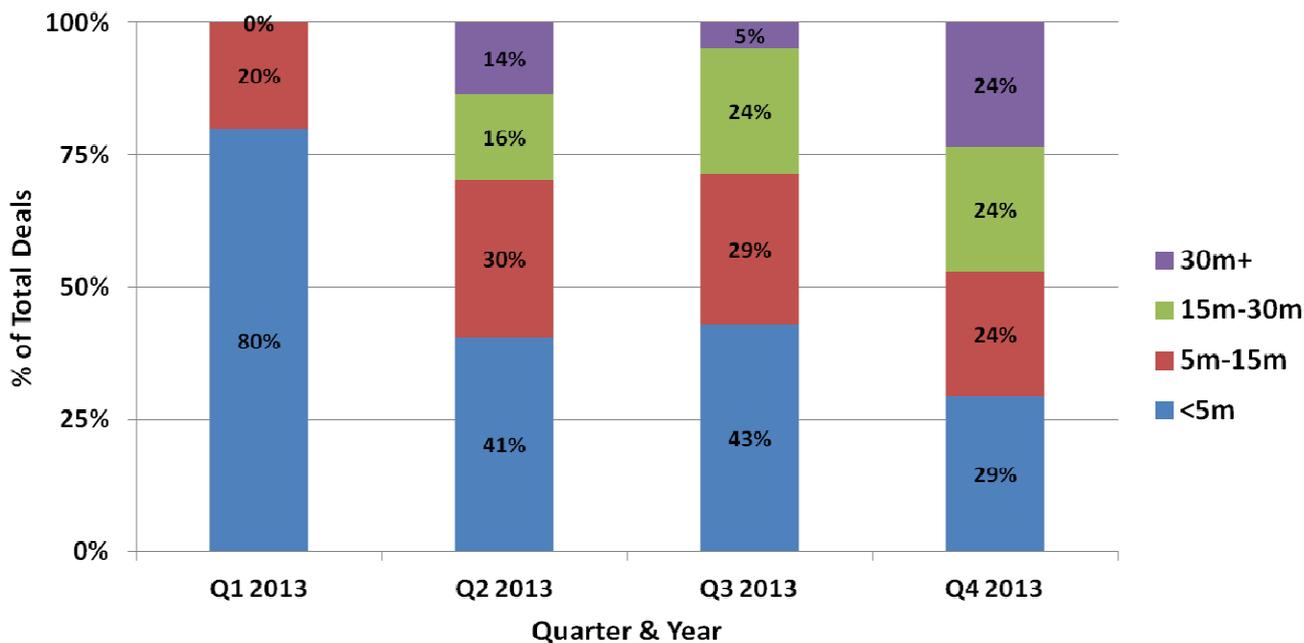


Size of quarterly financings biotech (therapeutics & diagnostics)

In Q4 2013 the size of financing deals increased significantly compared to the previous three quarters. The percentage of deals under EUR 5m was 29%, and the rest of the deals were distributed evenly among the remaining three categories (24% each for deals between EUR 5m and 15m, between EUR 15m and 30m and larger than EUR 30m). Even though Q2 2013 was the quarter with the highest financial value on aggregate (EUR 420m), the proportion of deals larger than EUR 15m accounted for only 30% of the whole compared to 48% in Q4 2013. This is reflected on the average deal size per quarter, with Q4 having a value of EUR 16.9m, 46% larger than in Q2 (EUR 11.6m).

Overall, the average financing has increased through the year from 80% of deals under EUR 5m in Q1 and no deal over EUR 15m, to reach 48% of deals over EUR 15m in Q4, with the other two quarters in between in proportion of large vs small deals. (Source: Biotechgate and analysed by Venture Valuation)

Investment Size as % of Total - Biotechs T&D (EU)



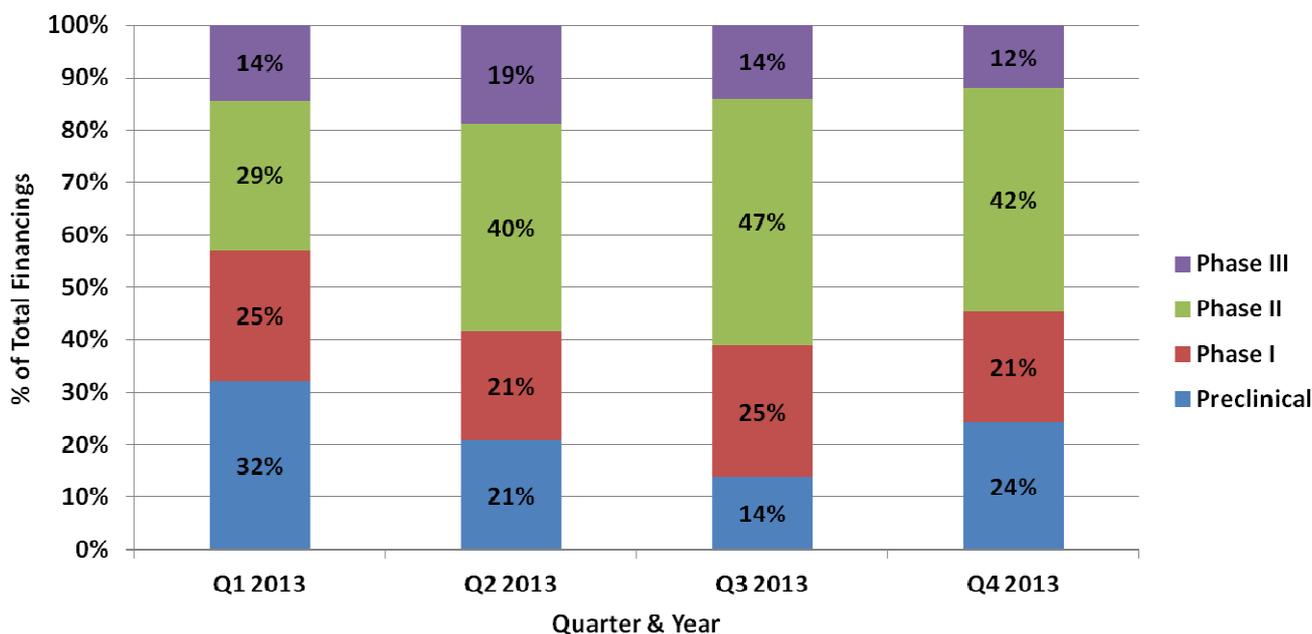
*The graph above shows the proportion of financing rounds by size in the therapeutics and diagnostics category in the selected quarter. All units are in EUR and include only private companies



Proportion of rounds by most advanced development stage

Companies with their lead product in early development have consistently received at least 39% of financing rounds in 2013, with Q1 having the largest proportion at 57% of the funded projects being in phases I and pre-clinical. In contrast, in the last three quarters of 2013 the majority of companies in Europe receiving financing had their lead product in Phase II or later stages of development (58% on average). In particular, in Q2 to Q4 the majority of funded projects were on Phase II development, while projects in Phase III were consistently the least funded by raising of additional equity.

Lead Product Development Phases Receiving Financing (EU)



*The graph above shows the proportion of financing rounds for each venture capital financing series during the quarter (private companies)

2013 Q4 financing rounds summary

Source: Biotechgate - www.biotechgate.com

Q4 2013

Company Name	Sector	Amount (in Million EUR)	Ownership	Country
Alliance Pharma plc	Pharma	29.5	Public	United Kingdom
ANTABIO	Pharma	0.7	Private / independent	France
Biocartis SA	Biotechnology / R&D Services	30.0	Private / independent	Switzerland
Bionor Pharma ASA	Biotechnology - Therapeutics and Diagnostics	0.9	Public	Norway
BIOXODES	Biotechnology - Therapeutics and Diagnostics	3.6	Private / independent	Belgium
Covagen AG	Biotechnology - Therapeutics and Diagnostics	34.3	Private / independent	Switzerland
Crescendo Biologics Ltd	Biotechnology - Therapeutics and Diagnostics	20.9	Private / independent	United Kingdom
Cytos Biotechnology AG	Biotechnology - Therapeutics and Diagnostics	19.7	Public	Switzerland
Delenex Therapeutics AG	Biotechnology - Therapeutics and Diagnostics	5.9	Private / independent	Switzerland
Epicardio Limited	Medical Technology	0.2	Private / independent	United Kingdom
Follicum AB	Biotechnology - Therapeutics and Diagnostics	0.2	Private / independent	Sweden
Follicum AB	Biotechnology - Therapeutics and Diagnostics	0.4	Private / independent	Sweden
F-star Alpha Ltd.	Biotechnology - Therapeutics and Diagnostics	9.4	Private / independent	United Kingdom
Galapagos NV	Biotechnology - Therapeutics and Diagnostics	0.2	Public	Belgium
Galecto Biotech ApS	Biotechnology - Therapeutics and Diagnostics	4.6	Private / independent	Denmark
Ganymed Pharmaceuticals AG	Biotechnology - Therapeutics and Diagnostics	45.0	Private / independent	Germany
Genovis AB	Biotechnology / R&D Services	0.1	Public	Sweden
Hookipa Biotech AG	Biotechnology - Therapeutics and Diagnostics	20.4	Private / independent	Austria
Hybrigenics S.A.	Biotechnology - Therapeutics and Diagnostics	1.3	Public	France
immatics biotechnologies GmbH	Biotechnology - Therapeutics and Diagnostics	34.0	Private / independent	Germany
ImmuPharma plc	Biotechnology - Therapeutics and Diagnostics	0.5	Public	United Kingdom
iSTAR Medical SA	Medical Technology	4.0	Private / independent	Belgium
Merus B.V.	Biotechnology - Therapeutics and Diagnostics	31.0	Private / independent	Netherlands
Mission Therapeutics Ltd	Biotechnology - Therapeutics and Diagnostics	23.8	Private / independent	United Kingdom
Opsona Therapeutics	Biotechnology - Therapeutics and Diagnostics	3.0	Private / independent	Ireland
Oxford Immunotec	Biotechnology / R&D Services	45.8	Public	United Kingdom
Oxford Pharmascience Group Plc	Biotechnology - Therapeutics	4.7	Public	United Kingdom



	and Diagnostics			
Pharmalink AB	Biotechnology - Therapeutics and Diagnostics	11.0	Private / independent	Sweden
Pulmocide Ltd	Biotechnology - Therapeutics and Diagnostics	20.3	Private / independent	United Kingdom
QuantuMDx UK	Biotechnology / R&D Services	1.0	Private / independent	United Kingdom
Santhera Pharmaceuticals	Biotechnology - Therapeutics and Diagnostics	8.1	Public	Switzerland
SYGNIS Pharma AG	Biotechnology / R&D Services	2.7	Public	Germany
THERAVECTYS	Biotechnology - Therapeutics and Diagnostics	14.7	Private / independent	France
TiGenix NV	Biotechnology - Therapeutics and Diagnostics	10.0	Public	Belgium
TiGenix NV	Biotechnology - Therapeutics and Diagnostics	12.0	Public	Belgium

About this summary

The Life Sciences Financing Summary is published on a bi-monthly basis by Venture Valuation and Fit for Health 2.0 and can be downloaded for free from the website <http://www.fitforhealth.eu>

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