

Cancer Biological Preclinical USD 235 – 260 Mio x 6

General

Project:	CT-322	Licensor:	Licensee:
Year of Licensing:	2007		
Licensing Phase:	Preclinical		
Current Phase:	Phase 2	Adnexus Therapeutics	Bristol-Myers Squibb
Upfront:	USD 5 Mio x 6	www.adnexustx.com	www.bms.com
Total Milestones:	USD >210 Mio x 6	100 Beaver Street	345 Park Avenue
Royalties:	N/A	Waltham, MA, USA	New York, NY, USA

Scientific Details

Disease Area:	Cancer	Indication 1:	Glioblastoma multiforme
Type:	Biological		
Class:	Proteins		
Mechanism of Action:	VEGFR2 binding		

Deal Type

	Worldwide	North America	Europe	Japan	Rest of world
Straight License	•				
Profit Share					
Co-Development					
Co-Marketing					
Co-Promotion		•			

Reported Deal Terms (in USD Mio)

Upfront	Equity	R&D Funding	Preclinical	Phase 1	Phase 2	Phase 3	Filing	Approval	Sales Milestones	Total Milestones	Profit Share	Royalties
5 Mio x 6									Yes	210 Mio x 6		Yes

Deal Summary

Under the collaboration, Adnexus will deploy its PROfusion technology on up to six research programs to identify and deliver pre-clinical Adnectin candidates to Bristol-Myers Squibb. Bristol-Myers Squibb will be responsible for global development and commercialization activities, with Adnexus retaining a limited co-promotion right to the first product to achieve regulatory approval in the United States.

Under the terms of the agreement, Bristol-Myers Squibb will provide committed funds of approximately \$30 million over the next three years to Adnexus, consisting of upfront and guaranteed research payments. Adnexus also is eligible to receive regulatory milestone payments of up to \$210 million per product, as well as royalties on product sales and sales-based milestone payments.

Sources

Press Release	http://www.goodwinprocter.com/NewsEvents/News/Adnexus%20Therapeutics%20and%20Bristol-Myers%20Squibb%20Company%20Announce%20Collaboration%20to%20Develop%20and%20Commerci.aspx
Press Release	http://www.reuters.com/article/marketsNews/idUKN2426901120070924
Press Release	http://adnexustx.com/pdf/news/20070226.pdf

Deal Metrics (in USD Mio)

	Peak Sales	Upfront	Preclinical	Phase 1	Phase 2	Phase 3	Filing	Approval	Sales Milestones	Total Milestones	Royalties	Total Value (at 12%)	Value Share Licensor	IRR Licensee	Royalties/Deal Value
750	5	-	10	20	30	50	100	25	235	2%	76	36%	18,4%	9%	
1,500	5	-	10	20	30	50	100	25	235	3,5%	168	20%	24,7%	26%	
2,000	5	-	10	20	30	50	100	50	260	6%	223	20%	26,6%	44%	

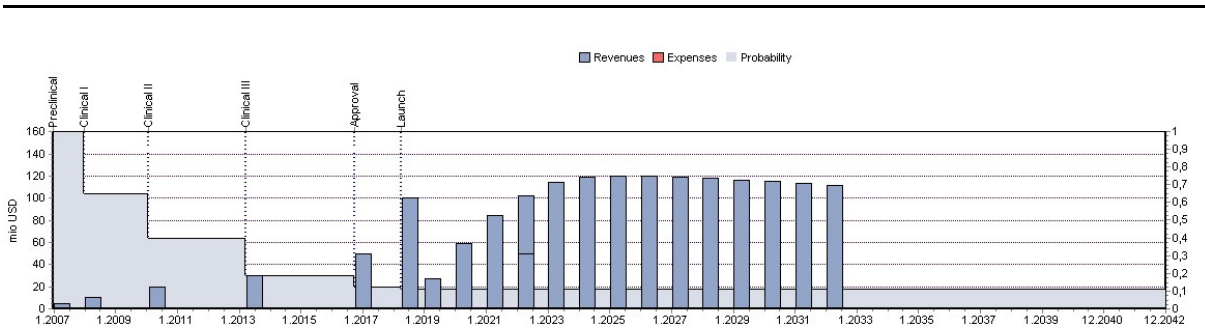


Figure 1: Cash flow Adnexus Therapeutics with USD 2,000 Mio sales.

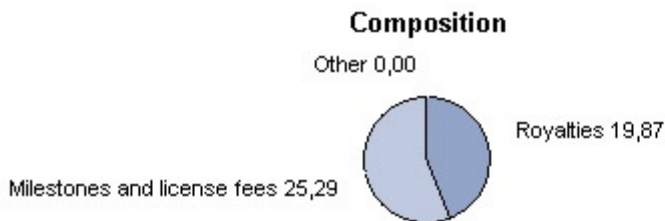


Figure 2: Composition Royalties/Milestone payments with USD 2,000 Mio sales.

Interpretation

Under this collaboration Bristol-Myers Squibb has access to Adnexus technology for up to six programs. We focus on one program, therefore calculating with USD 5 Mio upfront payment. In the news Adnexus indicated that in addition to the USD 210 Mio development milestones for each of the 6 products, royalties and sales-based milestone payments will be made. Only high peak sales expectations provide reasonable values for both parties. Sales scenarios around USD 2,000 Mio with a value share of 20% are the most likely. We would expect even higher royalties, but nothing was mentioned in the press releases of Adnexus and Bristol.