

Brussel, 12 november 2014

## **Grote interesse voor Benelux biotech sector in New York**

***Op 13 november 2014 organiseert KBC Securities in samenwerking met FlandersBio en Flanders Investment & Trade de derde editie van de Annual Benelux Biotech & Healthcare Conference in New York. De conferentie biedt investeerders de mogelijkheid om meetings te beleggen met het top management van 14 genoteerde ondernemingen en 1 privaat (pre-IPO) bedrijf. Op deze manier geeft de conferentie investeerders een uniek overzicht van de levendige Benelux Life Science sector. De conferentie is een van de initiatieven die KBC Securities organiseert om de Life Science sector te ondersteunen.***

Na succesvolle edities in 2012 en 2013 organiseert KBC Securities op 13 november zijn derde Benelux Biotech & Healthcare Seminar in New York. In een paar jaar tijd is de conferentie uitgegroeid tot een absolute must voor het management van Life Science bedrijven in de Benelux. De indrukwekkende groei van de Benelux Biotech Index in 2014, die het met 37% beter doet dan de Nasdaq Biotech index (+30%), getuigt van het succes van deze innovatieve sector.

Bij de eerste editie, in 2012, vertegenwoordigden de deelnemende bedrijven EUR 9.6 miljard in beurswaarde (waarvan EUR 2.1 miljard voor small & midcaps), terwijl in de derde editie de beurswaarde van de deelnemers maar liefst 70% hoger ligt (EUR 16.3 miljard, waarvan EUR 3.8 miljard voor small & mid caps). De groei is gestuwd door de beurswaarde van de deelnemende bedrijven (+30% sinds 2012) maar eveneens door de 5 nieuwe bedrijven die de laatste 18 maanden op de beurs noteerden. Drie van deze bedrijven noteren sinds kort op Euronext Brussel en twee op Nasdaq.

Ondertussen staat de conferentie stevig op de kaart bij de gespecialiseerde Life Science investeerder in de Verenigde Staten. Het aantal one-on-one meetings in deze derde editie ligt 60% hoger dan in 2012. Bovendien beleggen investeerders gemiddeld meetings met een groter aantal bedrijven, wat getuigt van de stijgende interesse voor en kwaliteit van de aangeboden investeringsmogelijkheden in de Benelux.

Dit jaar was een gemengd jaar wat de beurskoers van de bedrijven betreft, maar het succes van de conferentie maakt nogmaals duidelijk dat de sector volwassen is geworden, en de bedrijven op een meer dan gezonde interesse kunnen rekenen bij de top van de gespecialiseerde Amerikaanse beleggers.

Bedrijven die deelnemen in 2014 zijn Ablynx, arGEN-X, Arseus, Cardio3 Biosciences, Galapagos, Genticel, IBA, MDxHealth, Pharming, Promethera, Prosensa, ThromboGenics, Tigenix, UCB en Uniqure.

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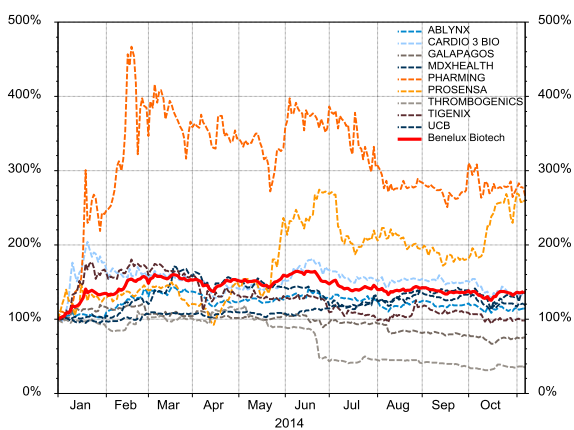
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## BENELUX PUBLIC BIOTECH: NEW BLOOD JOINS A PROGRESSING SECTOR

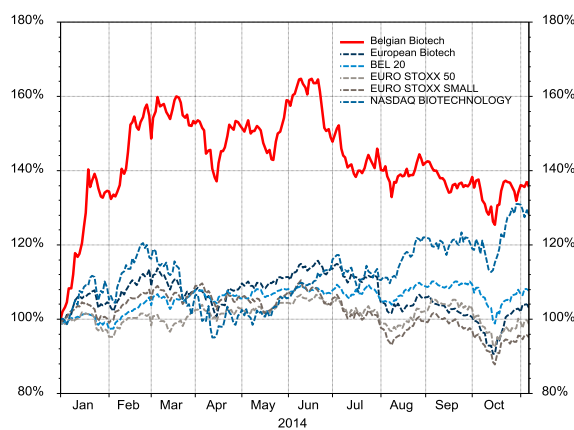
2014 has been marked by a very high number of IPOs

2014 has been a good year from sector, corporate development and financing viewpoints, though share price evaluations have been mixed. However, the innovation-driven Benelux healthcare companies comfortably maintained their leadership in the European scene, marked by a very high number of IPOs, both on Euronext and Nasdaq.

### BENELUX BIOTECH



Source: Thomson Reuters Datastream



Source: Thomson Reuters Datastream

Source: KBC Securities research and Thomson Datastream

(year-to-date graphs exclude 2014 IPO companies)

### BENELUX BIOTECH INDEX

Benelux Biotech index beats US and European biotech indices

After a very strong start in 1H14, our composite Benelux Biotech index declined in 2H14, but still has a 37% gain year-to-date, beating another strong year of the Nasdaq biotech index (+30%), and largely outperforming the European biotech index (+3%), and the European small-cap index (-5%).

Benelux biotech index: >75% of the constituents gained YTD

While over 75% of the constituents have made gains YTD, the Benelux biotech index reflects the wide-ranging performances of its members, with the +250% performances of Pharming and Prosenza comfortably offsetting the 63% decline of Thrombogenics (2014-listed companies are excluded from our year-to-date analysis).

### RECORD HIGH NUMBER OF IPOs

2014 market by high number of IPOs

2014 was marked by a record number of biotech IPOs of Benelux-linked companies. Belgian arGEN-X and Belgo-French Gentical chose to list on Euronext Brussels, while Dutch uniQure and ProQr listed on Nasdaq. With this number of listings, Benelux Biotech confirms its leading position in Europe, joining the French and UK markets which saw a high number of IPOs in 2014.

Benelux biotech pulls € 320m out of markets via IPOs and 4 private raisings

The four IPOs raised € 225m and combined with the private placements of Ablynx, Cardio3, MDxHealth, and Pharming, the amount raised in 2014 by public Benelux biotech reached a record € 320m.

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## PIPELINE PROGRESSION, ACQUISITIONS AND DIVESTMENTS

### Benelux sector continued to progress

The Benelux biotech index performed well and newly-listed companies provided new blood to the public market. While for some companies, 2014 was a transition year towards the next pipeline milestone, others moved pipeline products to the next phase or made important strategic decisions.

### In 2014, six biotechs pushed a lead product in to the next phase

In 2014, Ablynx transitioned into a phase-3-ready company thanks to unexpectedly strong results in its TTP orphan program. Gentecel kicked off its phase 2 program with its HPV therapeutic vaccine while arGEN-X published the first results with its lead product in cancer patients and is preparing to start phase-2 testing. UCB published positive phase 3 results for a new epilepsy drug while Vimpat gained US approval in epilepsy monotherapy. Pharming got the thumbs up from the FDA for Ruconest and Prosensa is filing its drisapersen dossier for the US market. MDxHealth received Medicare support for ConfirmMDx.

### PIVOTAL EVENTS IN BENELUX BIOTECH (PUBLIC COMPANIES)

Timing	Company	Project	Indication	Comment
2Q14	Ablynx	Caplazizumab	TTP	Strong efficacy & data, potential basis to file + refinancing
2Q14	Argen-X	ARGX-110	Cancer	First signs of efficacy + IPO
3Q14	Cardio3 Biosciences	C-cure	Heart fail	Joint venture in China, US acquisition + refinancing
1Q14	Galapagos	GLPG-634	Rheuma	Divest Services unit, delay phase 2b program, failed p2 UC asset
1Q14	Gentecel	ProCervix	HPV	Initiation phase 2 to prevent cervix cancer + IPO
2013	MDxHealth	ConfirmMDx	Prostate	Strong ramp-up, Medicare pricing, Cologuard + refinancing
3Q14	Pharming	Ruconest	HAE	FDA approval and US launch by Salix + refinancing
3Q14	Prosensa	Drisapersen	DMD	Rolling filing launched at FDA
2Q14	Thrombogenics	Jetrea	VMA	Disappointing ramp-up + restructuring
1Q14	Tigenix	ChondroCelect	Cartilage	Divestment ChondroCelect asset, finalizing enrolment Cx611
4Q14	UCB	Briva/Vimpat	Epilepsy	Positive p3 briva, approval monotherapy Vimpat, divestment KU
2Q14	Uniqure	Glybera	LLP	Delay in European launch + IPO

Source: KBC Securities

### 3 biotechs divested commercial assets

Next to the IPOs, several companies made important corporate development choices, based on strategic considerations. Galapagos sold its profitable Services unit to Charles River, Tigenix divested its ChondroCelect asset and UCB sold its US generics business to private equity. All decisions were driven by a move to free up resources for the companies' core value drivers. Several companies also acquired new assets. Cardio3 closed a joint venture to develop its C-Cure in China and acquired US assets that strengthen its cardio product portfolio. Pharming and uniQure also acquired new technologies that complement their core platforms.

### 3 companies acquired add-on platforms

### Commercial and pipeline setbacks are part of the business

Typical of the biotech sector are its notorious setbacks. Thrombogenics' Jetrea faced commercial hiccups and the company failed to transform itself into an attractive acquisition target. Galapagos also faced setbacks in its pipeline development with its ulcerative colitis compound and the immunology alliance with GSK.

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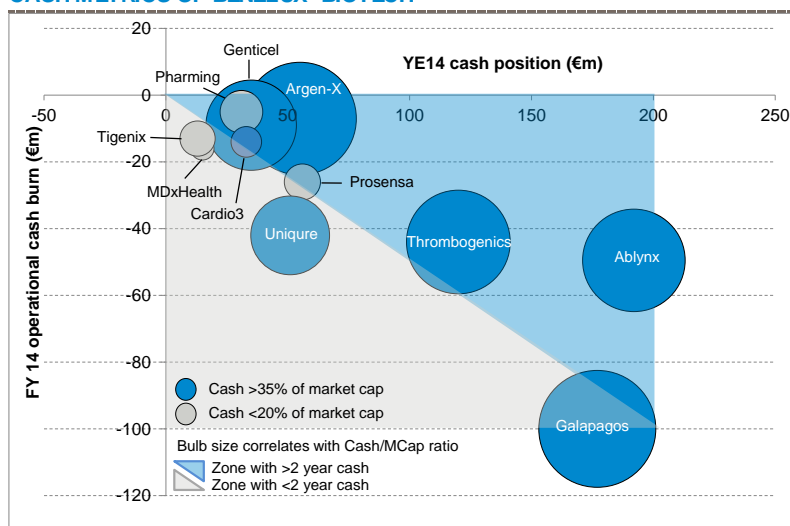
## STRONG CASH POSITIONS

### Very strong cash positions for Benelux Biotechs

- Over half of the companies have a market value where cash represents >35%. For ABLX, ARGX, GLPG, THR, the cash position is even half the market value (bulb size & colour).

- 8 of 11 companies have cash until 2017 and beyond (blue zone). At current burn rates, MDXH, TIG, QURE will have to refinance in 12-18 months (grey zone).

### CASH METRICS OF BENELUX BIOTECH



Source: KBC Securities research

## INCREASING INTEREST FROM US SPECIALIST INVESTORS

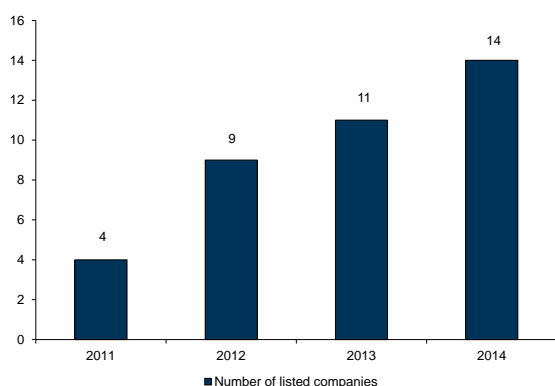
US investors took two thirds of the public raisings in 2014

All of the above has led to increasing interest from US investors, which means that US investments now represent around two thirds of the funds raised during the 2014 IPOs and refinancing transactions. This continued interest was highly visible in the success of the KBCS Biotech & Healthcare event, which has grown in less than 3 years to become a must-attend event for both the executives of the publicly-listed healthcare companies and US investors who are focused on finding interesting opportunities in Biotech and Healthcare.

KBCS Biotech and Healthcare conference enjoys increasing interest from investors and companies

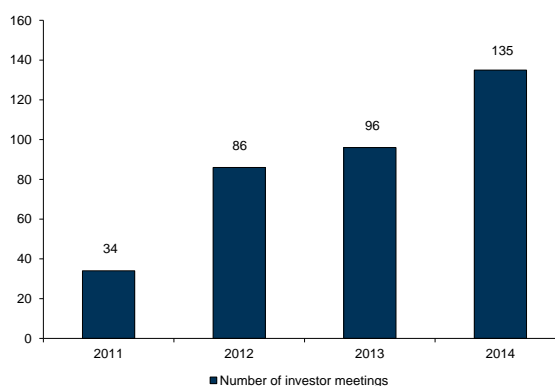
The Conference has grown organically over the years. In November 2011, KBC Securities organized its generalist Benelux Conference, and of the 12 companies present, four were LifeSci companies. Given the good traction and significant investor interest in these companies, the idea was born to set up a dedicated Conference for this sector.

### NUMBER OF LISTED COMPANIES ATTENDING



Source: KBC Securities

### NUMBER OF INVESTOR MEETINGS



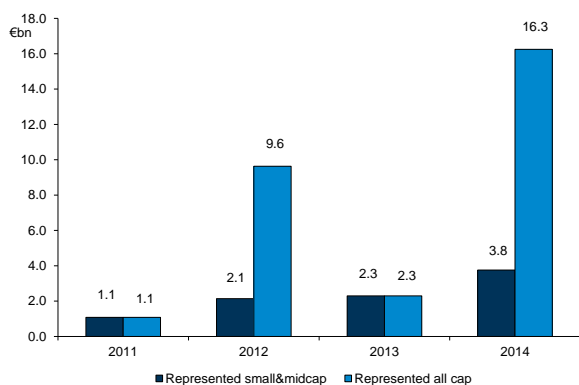
Source: KBC Securities

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**Value represented increased by 70%**

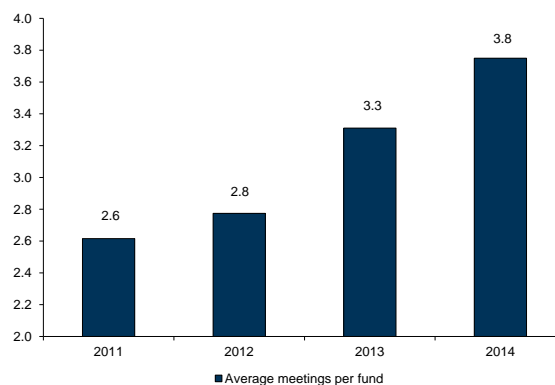
In 2012, at the first edition of the event, nine listed companies participated, for a total market cap of € 2.1bn, and € 9.6bn including UCB. This year, the 14 companies attending represent a € 3.8bn market cap, or € 16.3bn including UCB.

**MARKET VALUE REPRESENTED (€ BN)**



Source: KBC Securities

**AVERAGE NUMBER OF MEETINGS PER FUND**

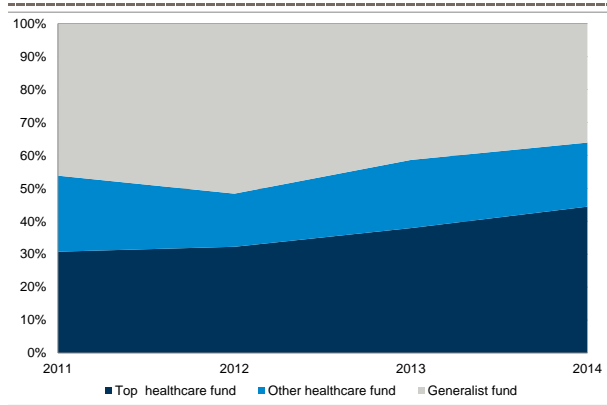


Source: KBC Securities

**Investor contacts increased by 60%**

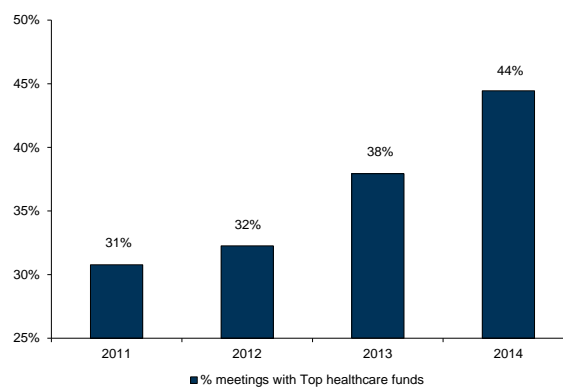
The number of investor contacts in this third edition increased by 60% compared to the 2012 edition, driven by a 25% increase in individual investors attending, but also because investors want to meet more companies (growing from 2.8 meetings per investor in 2012 to 3.8 in 2014). This is an example of the increasing quality of the investment opportunities being offered to the US specialist investor.

**MEETINGS PER FUND TYPE**



Source: KBC Securities

**% MEETINGS WITH TOP US HEALTHCARE FUNDS**



Source: KBC Securities

**Close to 50% of the meetings are with top US biotech funds**

Moreover, close to half of the meetings are with top US biotech funds, something that was almost unimaginable 3 years ago.

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