

Locust Walk Partners

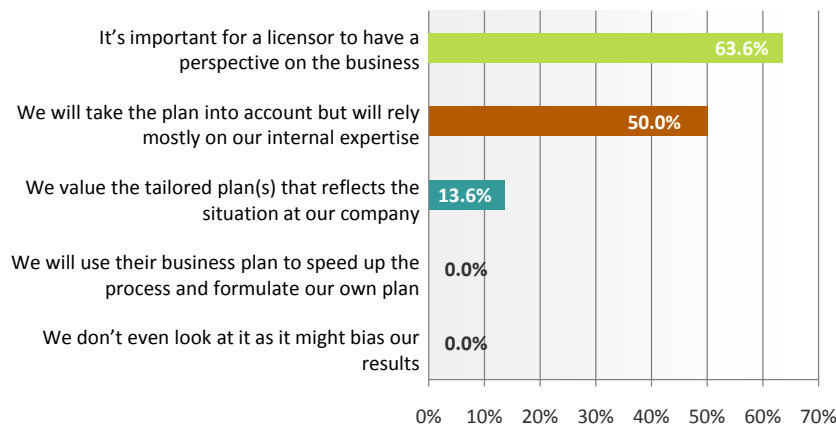
Highlights of the FierceBiotech Webinar: How to Land a Deal with Big Pharma

In the fall of 2009, we participated alongside Ad Rawcliffe of GSK and Anna Protopapas of Millennium / Takeda in a webinar sponsored by FierceBiotech which addressed head-on the **question of gaining biopharmaceutical companies' attention in a very crowded licensing environment.**

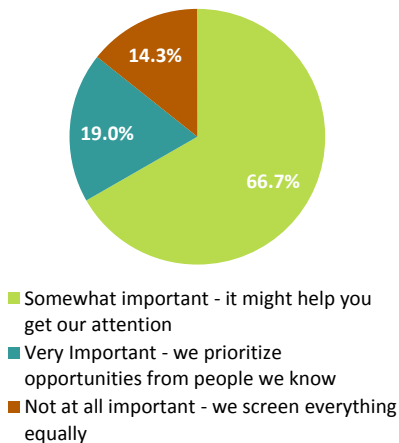
To gain perspective on this key topic, Locust Walk Partners surveyed business development professionals from the world's leading biopharma companies. The results of this timely survey and implications for biotech companies are described below.

Science matters, but so does the business case.

It's easy to get wowed by the science, but BD professionals reinforced the point that opportunities will only be taken seriously if they fit within the biopharma's strategy. Ideally, the licensor will **tailor the message** to meet the licensee's business objectives, it will be **supported by concise, compelling and informative marketing documents** and it will **reflect realistic insights** into the market opportunity. Not every product will generate \$1B in peak sales.



It's also about the relationship! We were surprised that BD professionals acknowledged openly that a relationship with BD or other functional group helps get biopharma's attention and in some cases may get the opportunity prioritized within the organization. Ad Rawcliffe strongly echoed these points in his take on the topic: "Focus on the relationship and not the deal."



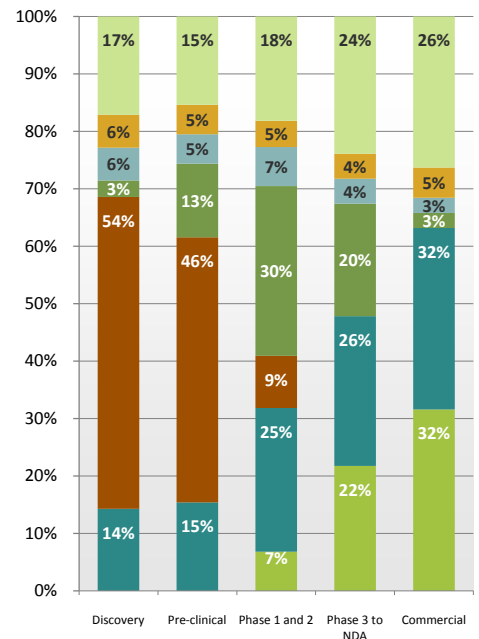
23 web survey respondents represented 12 different biopharmaceutical firms with responsibility for various BD functions, across all phases of development and the major therapeutic areas.

The Champion Drives Deal Momentum

After an initial contact with the BD team, the functional head(s) pick up the ball and shepherds the asset through the company's deal team and senior management review process.

The Champion varies based upon an asset's stage of development:

- Pre-clinical / Research – Head of Research
- Early to Mid-stage Clinical – Clinical/Therapy Area Head
- Pre-NDA/Commercial – Business Unit/Commercial Head



- Senior Management / C-Level
- IP / Legal
- Business Development
- Clinical
- Research
- Business Unit / TA Head
- Commercial

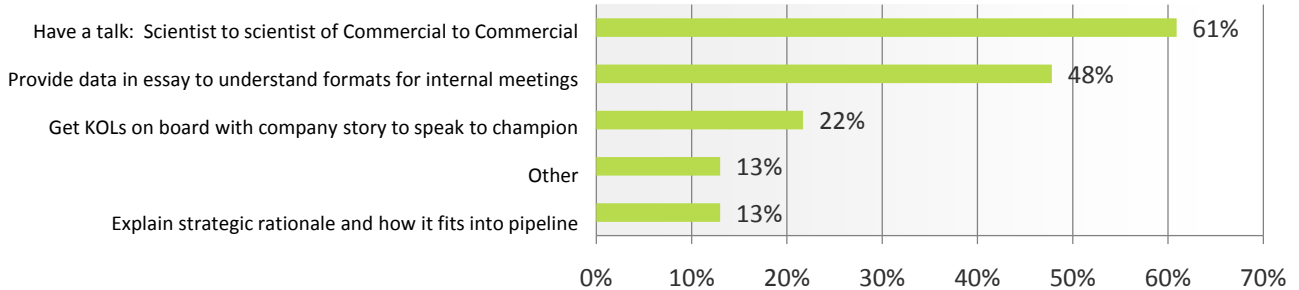
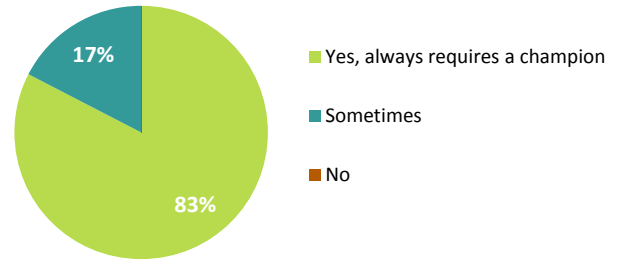


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Identifying and influencing the internal Champion takes both art ... and science.

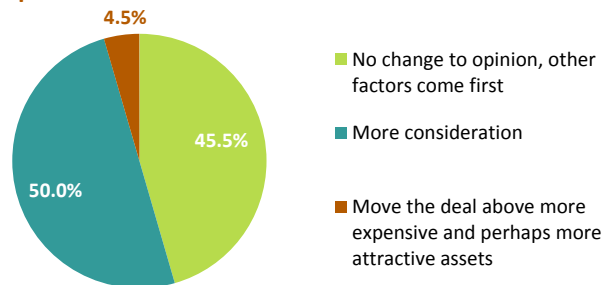
One of the keys to closing a transaction – getting to the Champion. Our survey respondents suggest that biotech's advisory board members can help by reaching out to partners' researchers.



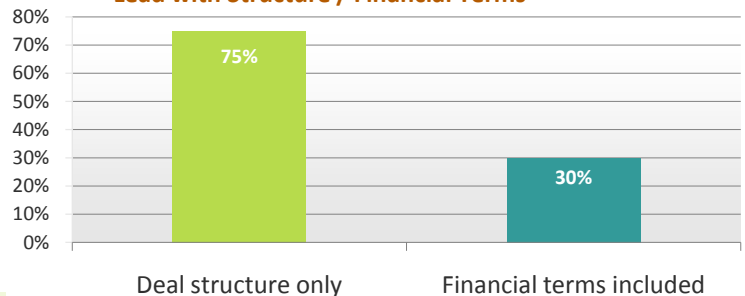
The asset must be of high quality and interesting on its own merits, deal terms and structure aside.

In our experience, we have never found a pharma do a deal only because of favorable terms. Interestingly, an asset with better terms (defined by pharma as fewer short term dollars deployed) is given more consideration in a majority of companies surveyed. Pharmas expect to see desired deal structures before accessing data rooms. Locust Walk Partners has found that, despite fewer deals being completed in the current environment, the average size of consummated deals has actually gone up, suggesting that the deals with the best terms are often not the ones getting done.

Impact of Favorable Deal Terms



Lead with Structure / Financial Terms



The LWP Difference:

- We can augment in-house transaction, strategic, or commercial capabilities or serve as Chief Business Officer
- Our entire team has significant operating experience with a strong commercial perspective
- Our team closely integrates with our clients' team
- We employ highly sophisticated analytical tools and capabilities

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