Based on our broad expertise and senior team’s experiences, Back Bay is well positioned as a strategic thought partner to biopharmaceutical and medtech clients large and small

• **Differentiated capability for integrating scientific, clinical, commercial, transactional perspectives into our work**
  - We believe deeply that commercial assessment in the absence of expert scientific and clinical understanding misses key detail related to adoption drivers, regulatory challenges, and potential sources of failure. Similarly, extensive scientific or clinical acumen in the absence of disciplined commercial analytics, experience and insights overlooks highly relevant data and can lead conclusions astray
  - Back Bay works across the product development continuum from supporting go/no-go decisions on early R&D programs or business development opportunities, through pre-commercial planning for late-stage assets, and LCM/counter-launch strategy for established $1B+ brands
  - Enables Back Bay to communicate credibly and effectively with internal cross-functional teams as well as relevant external stakeholders (clinicians, payers, etc.)

• **Senior team model**
  - Back Bay’s model emphasizes senior leadership team presence, oversight, and execution in all aspects of an assignment, leveraging the range of experiences noted above
  - Enables Back Bay to interact at higher levels of client organization than our competitors

• **Successful track record of working across a range of clients large and small throughout the industry**
  - Deep analytics and strategic planning for both established players and emerging growth companies with novel technology across most therapeutic and technologic areas
  - Enables Back Bay to “hit the ground running” with no time needed to get up to speed
Back Bay’s goal across our offerings is to provide our clients with deep insights in order to make confident, well-informed decisions in growing their businesses.

**Analytics**
- Product/Market Assessments, Landscapes & Forecasting
- Patient/Physician Segmentation
- Buying Process & Patient Flow Mapping
- Due Diligence & Valuation Analyses

**Strategy**
- Business Unit & Therapeutic Area Strategy
- Launch & Counter-launch Strategy
- Product Positioning, Branding & Messaging
- Lifecycle Management
- Corporate Growth
- Liquidity & Exit Planning
- Transaction Preparation, Planning & Execution
- Buy- and Sell-side Support
- Cross-border capabilities

**Advisory**
- Primarily emerging/venture-backed clients
- Primarily larger biopharma/medtech/spec pharma clients
- All client types
Our team has deep domain expertise coupled to strong commercial and financial analytics capabilities

<table>
<thead>
<tr>
<th>Clinical and scientific analysis</th>
<th>Commercial analysis</th>
<th>Financial and transactional analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Validity of target / MoA and quality of animal models</td>
<td>• Epidemiology &amp; key market/patient segments</td>
<td>• Financial modeling including commercial opportunity, rNPV, and return on investment analytics</td>
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<tr>
<td>• Disease biology and ease of diagnosis/prognosis/monitoring including biomarkers and MDx</td>
<td>• Patient journey, referral patterns and buying process</td>
<td>• Characterization and clinical and technical segmentation of relevant precedent transactions + Can be based on novelty of MoA, impact on treatment paradigm, etc.</td>
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<tr>
<td>• Evolving treatment paradigm</td>
<td>• Minimally acceptable and ideal target product profiles</td>
<td>• Key drivers of deal value</td>
</tr>
<tr>
<td>• Unmet needs of key patient segments along disease severity, efficacy, safety, and other relevant parameters</td>
<td>• Market drivers &amp; trends, competitive intensity/intelligence</td>
<td>• Segmentation and identification of key acquirors by fit with R&amp;D and commercial capabilities/infrastructure (if sell-side)</td>
</tr>
<tr>
<td>• Key endpoints, trial structure and development pathways for Proof of Concept and registration + Probability of regulatory success</td>
<td>• Lifecycle management opportunities</td>
<td>• Buy and sell-side execution (i.e., deal structures, valuation, tactics, negotiations, close etc.)</td>
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</table>
Epi Therapeutics asked Back Bay to help build a data supported business case for its histone demethylase platform and run a competitive process to out-licensing their technology.

**Situation**

- EpiTherapeutics engaged Back Bay to help shape its business plan, choose optimal indications to pursue, and execute a successful transaction for investors.
- Founded October 2008 on seminal research by Professor Kristian Helin and colleagues of Biotech Research and Innovation Centre (BRIC), Copenhagen.
- Key targets are histone demethylases and histone methyltransferases with the potential for creating truly innovative cancer treatments.
- Most progressed program targeting (targeting KDM5) in late lead optimization with data from several in-vivo proof of concept animal models.
- Key investors: Seed Capital, Novo Seeds, Lundbeckfond Emerge, Astellas Ventures and Merck Serono Ventures.
As part of the engagement, Back Bay developed the optimal growth and transaction strategy and identified the key inflection points for the company.

**Positioning: Scientific, Clinical & Commercial Analysis**

Complete analysis through targeted primary research including discussions with key experts to understand:

- Technology position based on tumor types, MOA, and potential combinations
- Market, scientific, and clinical positioning based on unmet need and potential fit in the treatment paradigm
- Competitive landscape
- Commercial Potential

**Commercial potential and key drivers of success**

**Liquidity Planning**

Inflection point analysis to develop ideal transaction strategy:

- Valuation and deal considerations
  - Precedent transactions
  - Current competitive and deal dynamics in the epigenetics space
- Review optimal timing based on potential deal values, capital requirement, and IRR considerations
- Characterize potential partners as to fit, track record, and tactical approach

**Optimal transaction strategy**

CASE STUDY: EPITHERAPEUTICS
Based on a review of the primary literature and interviews with scientific and clinical thought leaders, BBLSA developed a fact based view of EpiTherapeutics’ optimal clinical & commercial positioning.

**Clinical Positioning**

**Back Bay Methodology:**
- Comprehensive review of primary literature regarding histone methyltransferases and role in tumorigenesis
- Discussions with EpiTherapeutics management and scientific advisory board
- In depth interviews with external experts in epigenetic biology and key opinion leaders in high priority tumor types

**Results:**
- Developed an organized view of the rationale for the KDM5 inhibitor for various tumor types and key requirements for new therapies
- Created a tool for EpiTherapeutics prioritize key experiments required to further justify its technology’s applicability within selected tumor types
- Evaluated potential indications and determined the clinical and technical drivers of value
- Identified potential for EpiTherapeutics technology use along side potential partner’s oncology assets
Extending our analysis, we positioned the company within the constellation of precedent oncology transactions to more precisely inform deal expectations.

- Identified, categorized and evaluated recent transactions to identify the appropriate analogues.
- Explored precedent transactions within oncology (specifically within solid vs. liquid tumor indications).
- Developed informed perspective on company value based on parameters including:
  - Historic correlation of size of target indication
  - Novelty of mechanism
  - Disease unmet need.
- In combination with our analysis of the precedent transaction universe, leveraged our knowledge/relationships with ‘in house’ BD groups to position the value of EpiTherapeutics platform.
Leveraging this analysis as a basis for outreach, BBLSA ran a competitive out-licensing process ultimately leading to Gilead Sciences acquisition of EpiTherapeutics for $65 million (all upfront)

- Implemented partnering process comprising deal preparation, marketing, and negotiation/close phases
- Led a highly competitive process leveraging multiple interested parties and navigated complex organizational structures to optimally target key decision makers
- Led multiple rounds of negotiations to obtain optimal deal structure & terms for client

### Marketing

- Outreach to broader list of potential consolidators
- Send non-confidential summary
- CDAs
- Discuss deal structure
- Execute CDAs
- Coordinate presentations
- Process letters outlining key deadlines for bids
- Meetings: face-to-face / conference calls
- Follow-up discussions to address outstanding issues/questions
- Preliminary, non-binding term sheet submission

### Negotiate and Close

- Present preliminary, non-binding term sheets to EpiTherapeutics’ management
- Optimize received initial indications of interest
- Continued due diligence
- Deadline for binding term sheets
- Present binding terms sheets to EpiTherapeutics
- Identify select parties for negotiation
- Negotiate and finalize definitive agreement with the acquiror
- Execute agreement and issue press release

Back Bay Life Science Advisors of Boston advised EpiTherapeutics on the transaction

**CASE STUDY: EPITHERAPEUTICS**

Results