

Q4: Quarterly Industry Update

AS OF December 31, 2023

cogent valuation
FINANCIAL OPINIONS

Inflammation Pharmaceuticals Industry Summary

COGENT VALUATION identified **Inflammation Pharma** publicly traded companies, IPOs, and recent M&A transactions within the Inflammation Pharma industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since December 31, 2022, the median 52-week share price return of the Inflammation Pharma industry decreased from -5.6% to 3.8%, and the median YTD increased from -4.1% to -1.1%. Between December 31, 2022 and December 31, 2023, the median EV/Revenue multiple decreased from 15.6 to 14.2 and the median EV/EBITDA multiple decreased from 13.8 to 11.4. The median price-to-earnings multiple increased from 11.5 to 19.9 and the median EV/Gross CF multiple decreased from 26.7 to 31.6 over the same period. The median MVIC/Earnings multiple increased from .4% to .6%. The median Price/Revenue multiple increased from .2x to .7x over the same period.

Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
3.8%	-1.1%	4.6x	11.4x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/Earnings Multiple	Median Price/Revenue Multiple
19.9x	31.6x	.6x	.7x

Public Company Median Multiples by Quarter

	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22	3/31/22
Median EV/Revenue Multiple	4.6x	3.2x	3.4x	2.7x	3.1x	3.2x	2.9x	3.0x
Median EV/EBITDA Multiple	11.4x	28.0x	14.6x	17.4x	14.6x	14.6x	19.4x	10.7x
Median Price/Earnings Multiple	19.9x	30.9x	22.3x	23.2x	20.8x	19.7x	17.9x	17.7x
Median EV/Gross Profit Multiple	31.6x	22.3x	21.2x	24.6x	24.4x	23.3x	20.4x	25.0x
Median MVIC/Earnings Multiple	.6x	12.6x	2.7x	13.7x	15.4x	15.5x	12.2x	13.2x
Median Price/ Revenue Multiple	.7x	3.2x	1.4x	1.7x	5.6x	2.5x	3.2x	3.2x

■ Highest Multiple
 ■ Median Multiple
 ■ Lowest Multiple

Comparable Public Company Market Price Returns as of December 31, 2023

Company Name	Q4 2023	12-months 2023	Two Year ¹	Three Year ¹	2022	2021	2020
Abbott Laboratories	5.0%	34.9%	15.2%	8.7%	48.6%	-0.2%	17.5%
Amgen Inc.	-2.0%	3.9%	16.1%	9.9%	18.9%	1.9%	39.6%
Ampio Pharmaceuticals, Inc.	-16.5%	325.0%	-54.0%	-44.3%	352.1%	2.0%	-51.9%
Aquinox Pharmaceuticals, Inc.	19.7%	-15.6%	0.4%	28.7%	-28.8%	66.4%	N/A
Celgene Corporation	-14.5%	-28.3%	16.1%	15.4%	-9.8%	7.1%	32.4%
Concert Pharmaceuticals, Inc.	-11.5%	34.2%	-11.4%	5.4%	151.4%	42.4%	N/A
Gilead Sciences, Inc.	5.2%	11.0%	-9.2%	-8.7%	0.0%	7.4%	25.5%
Immunomedics, Inc.	-9.6%	125.8%	185.1%	55.5%	340.3%	-36.0%	4.3%
Ocular Therapeutix, Inc.	46.3%	-29.8%	-33.7%	-25.5%	-46.8%	-60.2%	N/A
Omeros Corporation	-42.5%	-26.1%	40.5%	19.3%	95.9%	-36.5%	119.5%
Pfizer Inc.	-2.0%	3.7%	6.6%	6.5%	11.5%	3.6%	1.7%
Portola Pharmaceuticals, Inc.	-32.9%	-16.7%	12.6%	28.8%	116.9%	81.7%	10.0%
Median of Industry Public Companies	-5.8%	3.8%	9.6%	9.3%	33.8%	2.8%	17.5%

[1] Calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Initial Public Offerings—Inflammation Pharmaceuticals

(dollars in millions, except share prices)

Effective Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets ¹	Debt ¹	LTM Revenue ¹	LTM EBITDA ¹	LTM Net Income ¹	LTM Cash Flows ¹
11/19/23	Calliditas Therapeutics AB (publ)	\$5.02	4.3	\$75.0	\$62.2	\$13.8	\$0.0	(\$16.2)	(\$4.3)	(\$2.6)
10/8/23	InflaRx N.V.	\$15.00	6.0	\$60.5	\$64.6	\$0.0	\$0.0	(\$28.1)	(\$3.1)	\$1.4
6/26/23	Sienna Biopharmaceuticals, Inc.	\$15.00	5.0	\$84.0	\$39.8	\$15.5	\$0.0	(\$36.9)	(\$6.1)	(\$1.7)
12/19/22	Kala Pharmaceuticals, Inc.	\$15.00	5.5	\$122.1	\$134.0	\$0.0	\$0.0	(\$2.8)	\$6.4	\$9.2
11/25/22	AnaptysBio, Inc.	\$15.00	6.0	\$6.2	\$3.2	\$4.3	\$16.7	(\$2.8)	(\$13.7)	(\$11.6)
9/25/22	Reata Pharmaceuticals, Inc.	\$11.00	4.3	\$68.2	\$6.9	\$14.0	\$49.7	(\$0.1)	(\$21.9)	(\$20.9)
6/29/17	Median of all IPOs	nm	6.0	\$71.6	\$51.0	\$9.1	\$8.3	(\$9.6)	(\$5.2)	(\$2.1)

[1] As of the effective date of the IPO

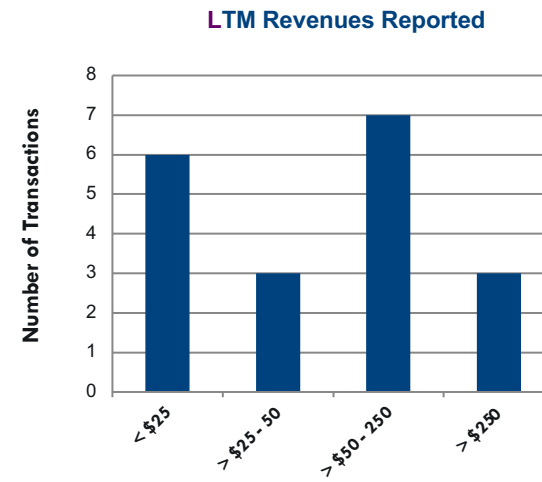
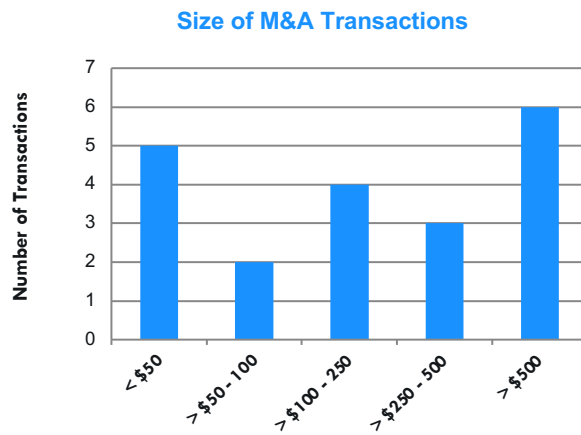
Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues ¹	EV/ Revenues ¹
12/1/23	Cleveland HeartLab, Inc.	Quest Diagnostics Inc.	\$94.0	98%	\$60.7	33.5x
11/13/23	Confluence Life Sciences, Inc.	Aclaris Life Sciences, Inc.	\$109.4	100%	\$2,322	4.3x
9/29/23	Meda AB	Mylan N.V.	\$10,071.1	100%	\$135.3	4.1x
1/1/23	Amgen Inc.	Biovitrum AB	\$150.3	100%	\$70.0	2.1x
12/3/22	Jerini AG	Shire Limited	\$396.0	84%	\$14.2	31.3x
11/29/22	AsiaPharm Group	MBK Partners	\$239.1	77%	\$75.9	3.7x
9/1/23	PRA International, Inc.	Genstar Capital, LLC	\$700.8	87%	\$381.9	2.0x
9/10/22	Skyepharma PLC	Vectura Group plc	\$615.4	100%	\$16.7	12.4x
7/1/22	Icagen, Inc.	N/A	\$11.0	100%	\$10.1	4.8x
5/1/21	Cellular Dynamics	Fujifilm Medical	\$289.1	100%	\$41.5	0.8x
4/13/21	Innocutis Medical, LLC	Cipher Pharmaceuticals	\$48.5	100%	\$160.3	3.0x
11/18/20	Cisbio Bioassays	Argos Soditic	\$34.0	100%	\$29.7	1.8x
9/5/20	ISTA Pharmaceuticals, Inc.	Bausch & Lomb	\$551.5	100%	\$89.1	1.3x
Median of the M&A Transaction Targets			\$264.1	100%	\$46.4	3.7x

[1] As of the close of the Transaction

■ USA ■ International

Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

Market Value of Invested Capital (MVIC): Market Value of Equity + Market Value of Debt

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