

Q1: Quarterly Industry Update

AS OF March 31, 2024

cogent valuation
FINANCIAL OPINIONS

Oncology Pharmaceuticals Industry Summary

COGENT VALUATION identified **Oncology Pharma** publicly traded companies, IPOs, and recent M&A transactions within the Oncology 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 March 31, 2023, the median 52-week share price return of the Oncology Pharma industry decreased from 15.6% to 13.4%, and the median YTD return increased from -3.2% to -2.4%. Between March 31, 2023 and March 31, 2024, the median EV/Revenue multiple decreased from 17.8 to 11.8 and the median EV/EBITDA multiple decreased from 18.2 to 19.6. The median price-to-earnings multiple increased from 14.5 to 16.4 and the median EV/Gross profit multiple decreased from 24.3 to 14.7 over the same period. The median MVIC/Earnings multiple decreased from 13.2% to 10.3%. The median Price/ Revenue multiple increased from -35.4 to -31.2 over the same period.

Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
13.4%	-2.4%	7.4x	11.8x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/Earnings Multiple	Median Price/Revenue Multiple
16.8x	14.7x	10.3x	-31.2x

Public Company Median Multiples by Quarter

	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22
Median EV/Revenue Multiple	7.4x	3.2x	3.4x	2.7x	3.1x	3.2x	2.9x	3.0x
Median EV/EBITDA Multiple	11.8x	28.0x	14.6x	17.4x	14.6x	14.6x	19.4x	10.7x
Median Price/Earnings Multiple	16.8x	30.9x	22.3x	23.2x	20.8x	19.7x	17.9x	17.7x
Median EV/Gross Profit Multiple	14.7x	22.3x	21.2x	24.6x	24.4x	23.3x	20.4x	25.0x
Median MVIC/Earnings Multiple	10.3	12.6x	2.7x	13.7x	15.4x	15.5x	12.2x	13.2x
Median Price/ Revenue Multiple	-31.2x	13.2x	-31.4x	-31.7x	-25.6x	-22.5x	-23.2x	3.2x

■ Highest Multiple
 ■ Median Multiple
 ■ Lowest Multiple

Comparable Public Company Market Price Returns as of January 1, 2023

Company Name	Q1 2024	12-months 2023	Two Year ¹	Three Year ¹	2022	2021	2020
Affimed N.V.	42.3%	-17.3%	-61.0%	-27.8%	-74.7%	14.8%	N/A
Bellicum Pharmaceuticals, Inc.	-22.0%	-9.9%	-25.9%	-38.3%	-32.8%	-12.0%	N/A
Calithera Biosciences, Inc.	-24.6%	300.3%	44.2%	156.9%	-57.6%	-62.1%	N/A
Globelimmune, Inc.	65.5%	-73.7%	-55.8%	19.8%	-92.5%	-49.0%	N/A
Incyte Corporation	-12.0%	57.4%	9.9%	-5.5%	-7.5%	48.3%	44.4%
Loxo Oncology, Inc.	37.1%	107.3%	30.4%	162.1%	12.9%	6.8%	N/A
Luye Pharma Group Ltd.	-21.2%	245.9%	110.9%	33.1%	-43.1%	142.1%	N/A
Merrimack Pharmaceuticals, Inc.	-21.5%	-10.5%	-28.4%	-74.9%	-48.4%	-19.1%	N/A
Nektar Therapeutics	77.9%	-77.0%	-68.3%	386.7%	-27.2%	-30.1%	112.0%
Seattle Genetics, Inc.	-2.4%	37.4%	25.0%	1.4%	17.6%	8.7%	36.6%
Vertex Pharmaceuticals Incorporated	-15.1%	28.0%	3.4%	327.8%	-26.5%	39.7%	-19.5%
Median of Industry Public Companies	-2.4%	13.4%	3.4%	103.4%	-41.5%	5.9%	48.2%

[1] Calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Initial Public Offerings—Oncology Pharmaceutical (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
3/3/24	Gritstone Oncology, Inc.	\$15.00	7.0	\$60.0	\$2.2	\$0.7	\$0.0	(\$4.5)	(\$15.1)	(\$15.2)
1/6/24	Sutro Biopharma, Inc.	\$15.00	6.3	\$128.0	\$354.8	\$0.0	\$0.0	(\$42.5)	(\$7.0)	(\$10.2)
11/3/23	Principia Biopharma Inc.	\$17.00	4.1	\$66.2	\$93.0	\$0.0	\$0.0	(\$15.3)	(\$68.5)	(\$37.5)
10/7/23	Forty Seven, Inc.	\$16.00	7.2	\$38.4	\$53.7	\$29.5	\$0.0	\$2.3	(\$28.1)	(\$7.3)
12/26/22	Neon Therapeutics, Inc.	\$16.00	5.5	\$3.0	\$7.2	\$0.0	\$6.4	\$1.1	\$86.4	\$177.9
8/15/22	Polyphor AG	\$37.97	7.5	\$46.4	\$787.6	\$133.8	\$0.0	(\$20.6)	\$8.42	\$176.7
4/18/22	Surface Oncology, Inc.	\$15.00	8.8	\$50.8	\$786.5	\$9.1	\$15.1	(\$11.8)	\$87.5	\$175.2
	Median IPO	nm	nm	\$50.8	\$584.9	\$71.3	\$0.0	(\$13.5)	\$39.7	\$82.5

[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
1/12/24	Mediavation	Roche Holding AG	\$761.0	100%	N/A	N/A
1/10/24	Oncology Business of Shire	LES LABORATOIRES SERVIER SAS	\$2,400.0	100%	\$262.0	9.2x
12/20/23	ARMO BioSciences, Inc.	Eli Lilly and Company	\$1,627.9	100%	N/A	N/A
12/26/22	Crown Bioscience International	JSR Corporation	\$364.9	100%	\$72.2	4.8x
11/28/22	Abylnx NV	Sanofi	\$4,768.7	100%	\$68.6	64.1x
11/1/22	MPI Research Inc.	Charles River Laboratories International, Inc.	\$800.0	100%	N/A	N/A
9/21/22	Cascadian Therapeutics, Inc.	Seattle Genetics, Inc.	\$623.1	100%	N/A	N/A
11/10/21	Sucampo Pharmaceuticals	Mallinckrodt Public Limited	\$1,220.6	100%	\$250.5	4.6x
6/4/21	Advanced Accelerator Apps.	Novartis Groupe France	\$3,917.1	99%	\$167.3	22.3x
5/4/21	Laboratorio DOSA S.A.	Grupo Farmaceutico	\$29.9	100%	\$18.6	1.5x
5/1/21	Merck Kommanditgesellschaft	Fresenius Kabi AG	\$778.6	100%	\$6.2	9.4x
3/4/21	Merrimack Pharmaceuticals	Ipsen S.A.	\$1,025.0	100%	\$491.2	5.3x
3/2/21	Thallion Pharmaceuticals, Inc.	Taro Pharmaceuticals Inc.	\$2.0	97%	\$21.4	1.4x

[1] As of the close of the Transaction

■ USA ■ International

(Continued on next page)

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

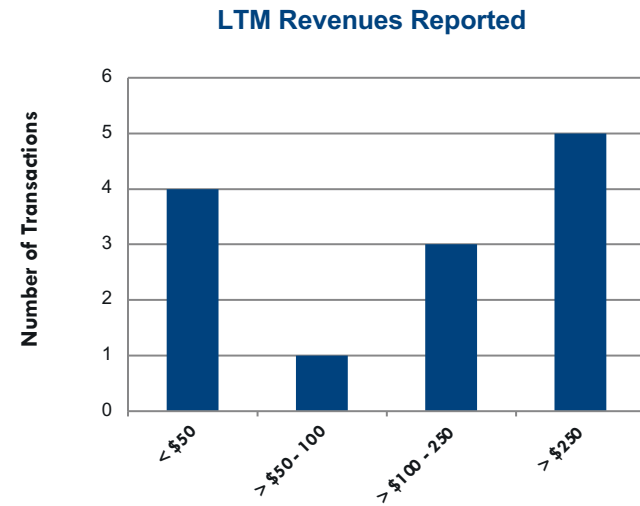
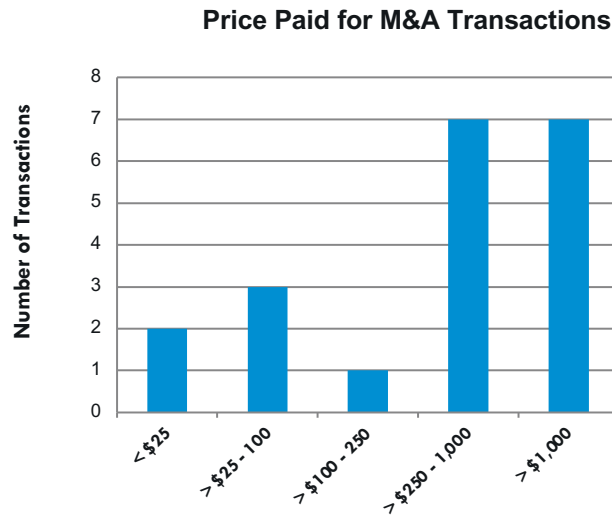
Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues ¹	EV/Revenues ¹
9/8/21	Tusk Therapeutics Ltd	Roche Holding AG	\$761.0	100%	\$24.1	6.3x
4/30/21	Oncology Business of Shire	LES LABORATOIRES SERVIER	\$2,400.0	100%	\$262.0	0.9x
11/21/20	ARMO BioSciences, Inc.	Eli Lilly and Company	\$1,627.9	100%	N/A	27.6x
1/1/20	Crown Bioscience International	JSR Corporation	\$364.9	100%	\$72.2	2.1x
9/4/20	Ablynx NV	Sanofi	\$4,768.7	100%	\$68.6	1.9x
8/3/20	MPI Research Inc.	Charles River Laboratories International, Inc.	\$800.0	100%	\$4.0	7.5x
Median of the M&A Transaction Targets			\$30.7	100%	\$182.2	5.7x

[1] As of the close of the Transaction

■ USA ■ International

(Continued on next page)

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

Disclosures and Limitations: This research report is for informational and discussion purposes only. Information presented herein is not investment advice of any kind to any person and does not constitute a recommendation as to the purchase or sale of any interests or as to any other course of action. General, financial, and statistical information concerning the details of this report and related industry are from sources Cogent Valuation believes to be reliable. Cogent Valuation has accurately reflected such information in this research report; however, Cogent Valuation makes no representation as to the sources' accuracy or completeness and has accepted this information without further verification. Neither all nor any part of the content of this report may be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent of Cogent Valuation. Cogent Valuation's research is as of the date reported herein. Cogent Valuation has no affiliation with any of the companies comprising the industry used as a basis for research in this report, nor does Cogent Valuation hold any investments in the companies listed herein. The content of this report may be used, in part, as a basis for any work that Cogent Valuation performs for you in the future at the sole discretion of Cogent Valuation. THIS REPORT IS NOT TO BE USED OR CONSIDERED UNDER ANY CIRCUMSTANCE BY ANYONE AS INVESTMENT ADVICE.

COGENT VALUATION is a nationally recognized full service business valuation firm that has provided independent valuation and financial advisory opinions in thousands of situations since 1991. These assignments include the valuation of companies and pass-through entities, their securities, and their intangible assets ranging in size from small, closely-held businesses and start-ups, to corporations with market values over a billion dollars, covering almost every industry and all types of transactions. With the collective backgrounds of our managing directors and professional staff, Cogent Valuation brings substantial large deal experience to bear on our middle market transaction opinions. Cogent Valuation utilizes proprietary research, intensive due diligence, and the experience and insights of its professionals to produce thoughtful, well-documented opinions that have consistently withstood the scrutiny of clients and their advisors, investors, regulators, and courts.

This industry research is provided at no charge. Further research or detailed information not covered in this report can be obtained for a fee. **Contact Steven Kam at 415-392-0888 or kam@cogentvaluation.com** for additional information or questions in connection with this research report.