

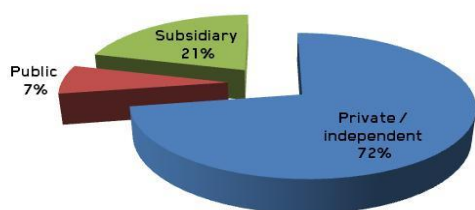
BIOTECHGATE'S (BTG) LONDON-CAMBRIDGE CLUSTER SUMMARY

December 2014: Venture Valuation has prepared this comparison as partner of OneNucleus, provider of their membership directory and manager of the UK Biotech database (www.ukbiotech.com). The information contained herein has been collected from Venture Valuation's Biotechgate database and is also available to its subscribers at www.biotechgate.com.

LONDON-CAMBRIDGE (L-C) COMPARISONS

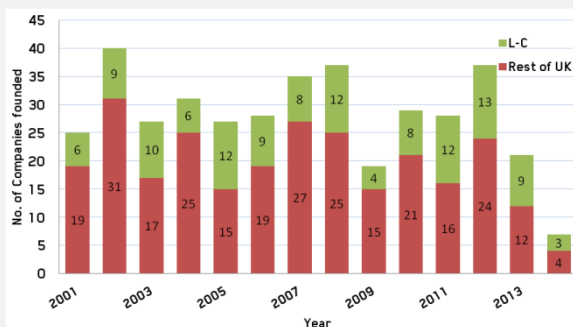
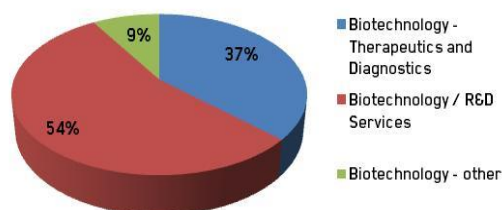
	London Cambridge (L-C)	United Kingdom
Total Biotechnology Companies	239	969
Biotech - Therapeutics & Diagnostics	88	234
Biotech - R&D Services	130	572
Biotech - Other	21	163
Companies Publicly Owned (%)	9%	5%
Financing/Capital Raised 2014 (YTD, Private)	USD 143 M	USD 335 M

COMPANY OWNERSHIP, FORMATION AND BIOTECH SECTOR BREAKDOWN



Most Biotechs in the L-C cluster are private independent companies (72%). A small number are represented by subsidiaries (21%) and the remaining (7%) are publicly listed, most of them on the London Stock Exchange or AIM. This is consistent with the overall UK distribution.

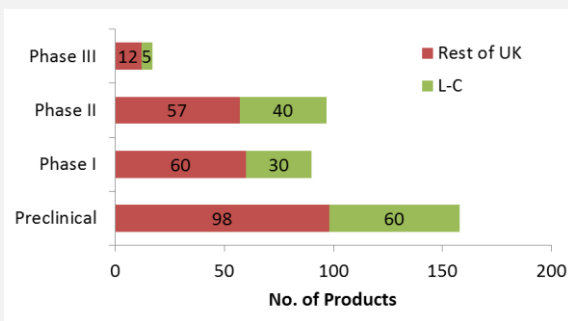
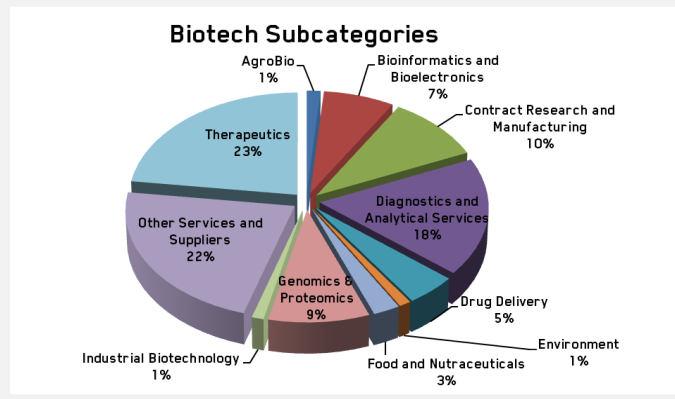
The biotech sector can be broken down into three categories: 1) R&D Services in the L-C cluster represent the majority (54%) followed by 2) Therapeutics and Diagnostics (37%) and the remainder fall into 3) other categories (9%) e.g. AgroBio & Industrial Biotechnology. For the UK, the therapeutic sector is only at 24%, showing the innovation hub of L-C.



The formation of Biotech companies in the UK since 2001 has been relatively stable with around 20 to 40 companies every year. The London-Cambridge cluster provides roughly 30% to 40% of all new companies. For 2014 we expect around 35 companies to be formed, but many have not been active yet and will only show up in next year's analysis.

CATEGORIES AND PRODUCT DEVELOPMENT IN THE L-C CLUSTER

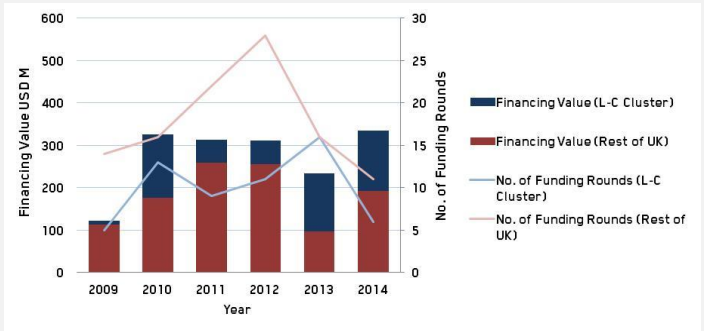
Around 1/4 of Biotechs in the L-C cluster focus on development of therapeutics, whereas in the UK therapeutics accounts for only 14%. All other subcategories are similar in the L-C cluster and the UK by comparison. 22% of companies are providing Services or are Suppliers. Diagnostics and Analytical Services (18%) and Contract Research and Manufacturing (10%) round out the remaining significant categories.



The majority of products are in pre-clinical development. However, 35% of products proceeded past Phase I and are in either Phase II or Phase III studies. 13% are in Phase III currently. There is a noticeable gap in Phase I products. The L-C cluster provides the highest percentage of Phase II products in the UK. This is an indication of the more advanced stage of companies in the L-C cluster.

PRIVATE FINANCING IN THE L-C CLUSTER

The first 10 months in 2014 have seen the largest value of financings of private companies in the UK since the financial crisis. The L-C cluster companies contributed 43% of the total of roughly USD 335m. The financing was raised in a smaller number of rounds compared to previous years.



About us:

Venture Valuation (www.venturevaluation.com)

Venture Valuation specializes in independent, third party assessment, valuation and monitoring of emerging high growth companies in biotechnology, med-tech and pharma.

Biotechgate (www.biotechgate.com)

Biotechgate is the global lead sourcing database for the Biotech, Pharma and Medtech industries. Identify potential licensing opportunities, business partners, new clients and benchmark your deals.

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- Only database with in- and out-licensing opportunities
- Benchmark Licensing Deals with key financial information
- Investor Database to identify Investors that fit with your Company's Business Model

For any questions or comments, please contact the author Dr. Patrik Frei at Venture Valuation (p.frei@venturevaluation.com) or visit Biotechgate for a free trial / demo @ www.biotechgate.com.