

Demy-Colton and EBD Group

Biotech Showcase™ 2019

Investment Trends Survey

December 7, 2018

 **DEMY
COLTON**

**EBD
GROUP**

Survey Overview

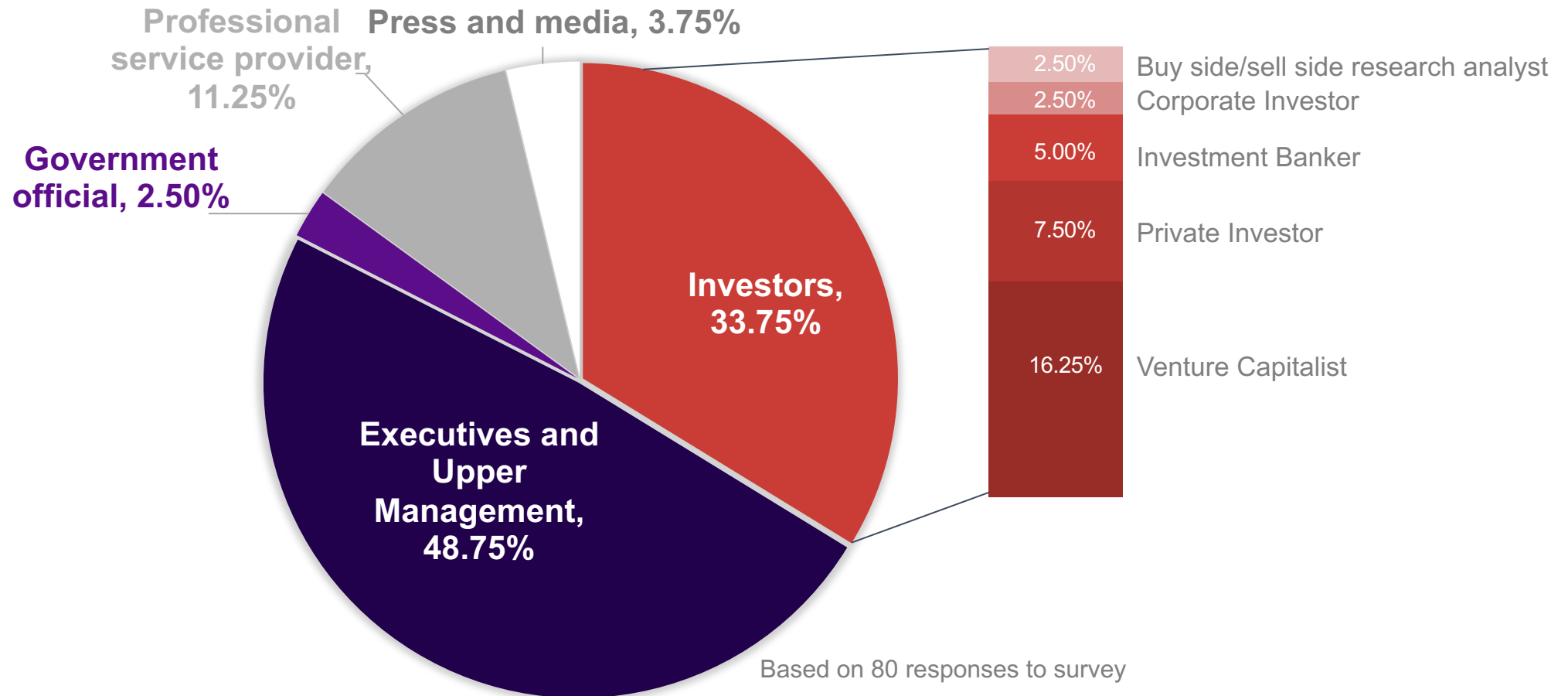
- Survey included 10 questions on biotech industry investment trends for 2019
- Survey was sent to the 2018 list of registered Biotech Showcase attendees
- 80 people provided responses

Question 1:

Which of the following best describes your professional role?

- Venture capitalist
- Corporate investor
- Investment banker/banker
- Private investor
- Buy side/sell side research analyst
- Executive or upper management of biotech or pharma company
- Research and development executive
- Government official
- Professional service provider
- Press and media

Survey Responder Demographics - Chart



Survey Responder Demographics - Table

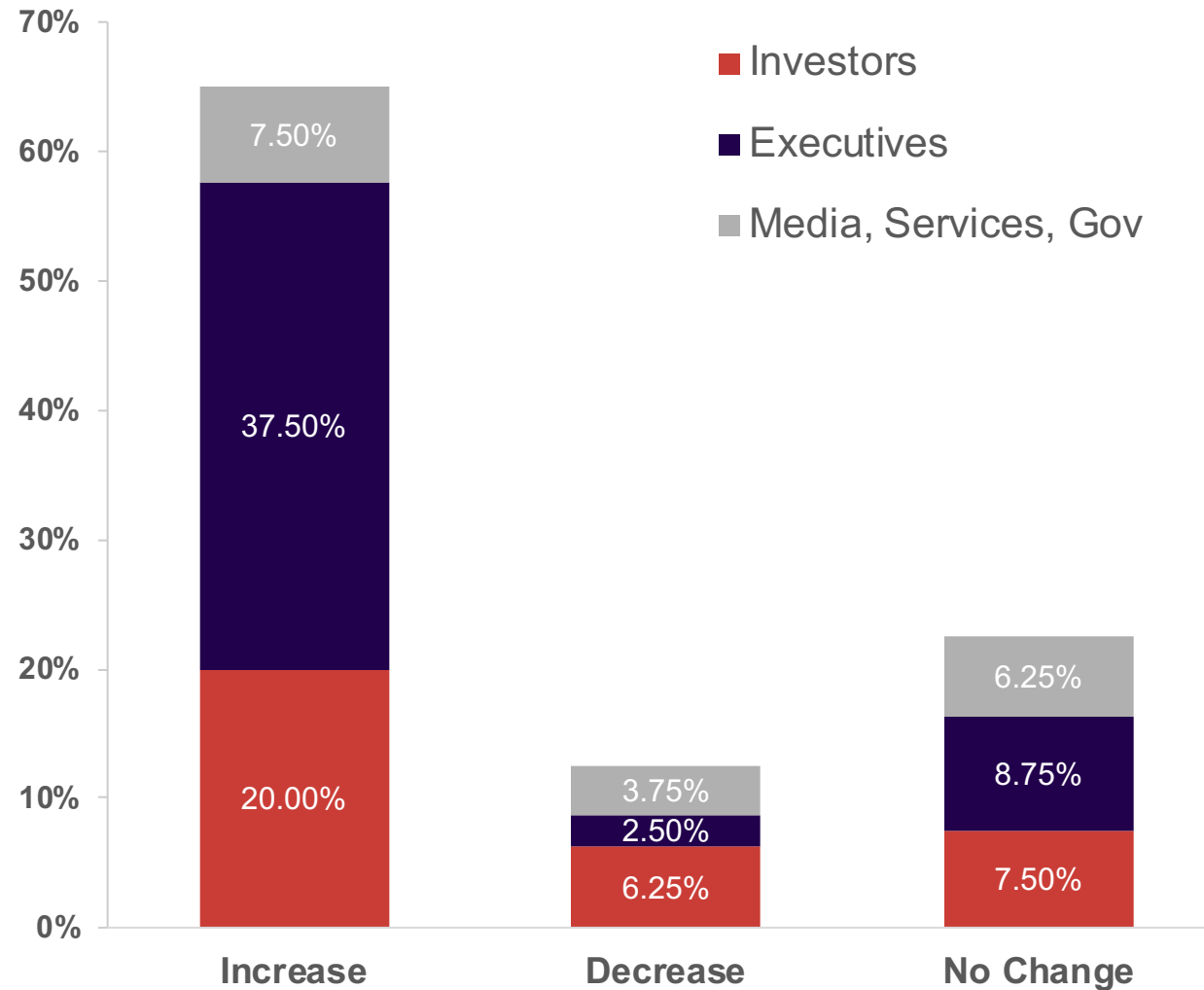
RESPONDER OCCUPATION	# OF RESPONDERS	PERCENT OF TOTAL
INVESTOR (Total of subcategories below)	27	33.75%
Venture capitalist	13	16.25%
Corporate investor	2	2.50%
Investment banker/banker	4	5.00%
Private investor	6	7.50%
Buy side/sell side research analyst	2	2.50%
EXECUTIVE/UPPER MANAGEMENT (Total of subcategories below)	39	48.75%
Executive or upper management of biotech or pharma company	35	43.75%
Research and development executive	4	5.00%
Government official	2	2.50%
Professional service provider	9	11.25%
Press and media	3	3.75%
Total Responders	80	

Question 2:

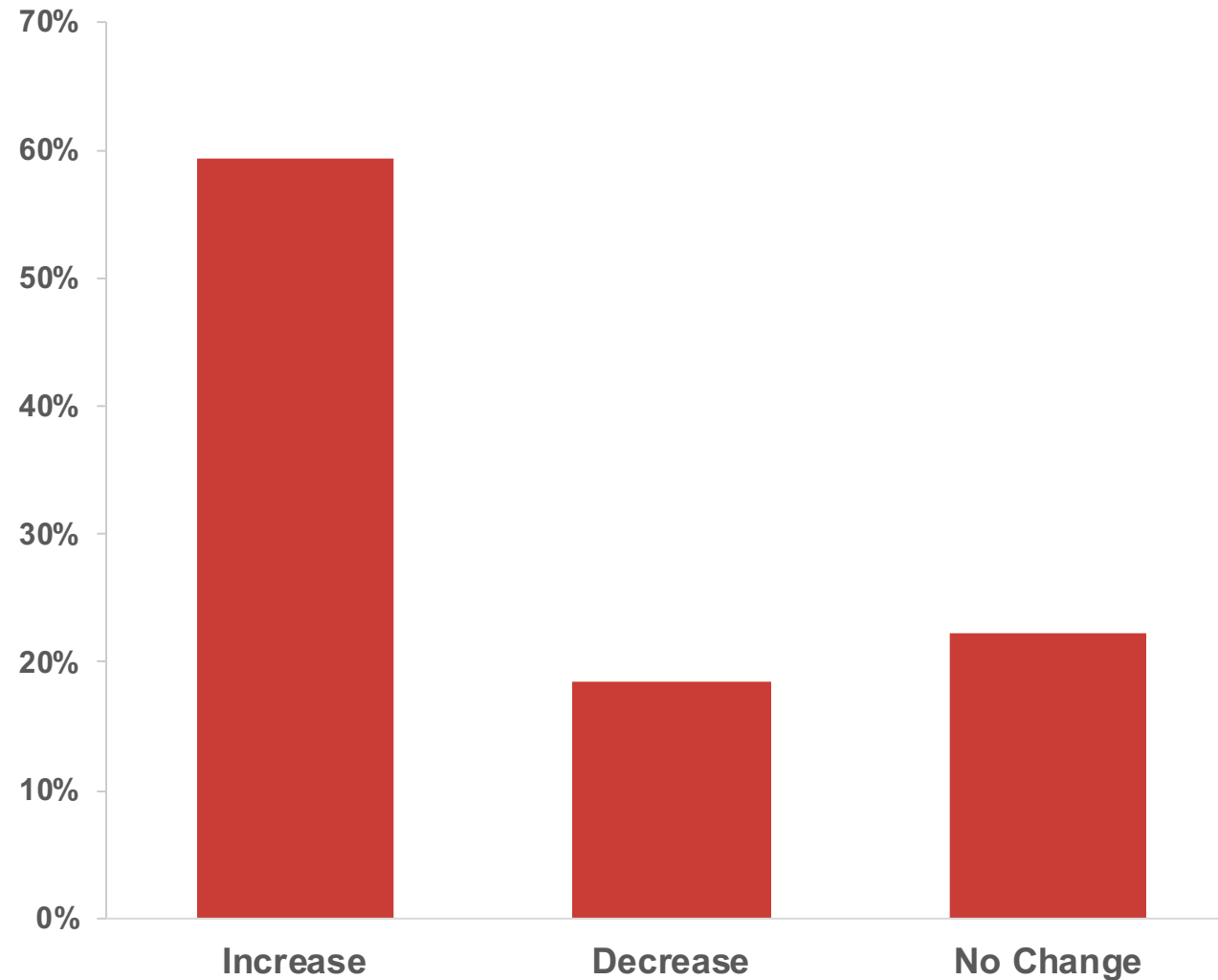
Overall, you expect to see _____ in life science investments in 2019 compared to 2018.

- Increase
- Decrease
- No change

The majority of life science investors and executives expect to see an increase in investment during 2019



Sixty percent of life science investors expect to see an increase in investment in 2019

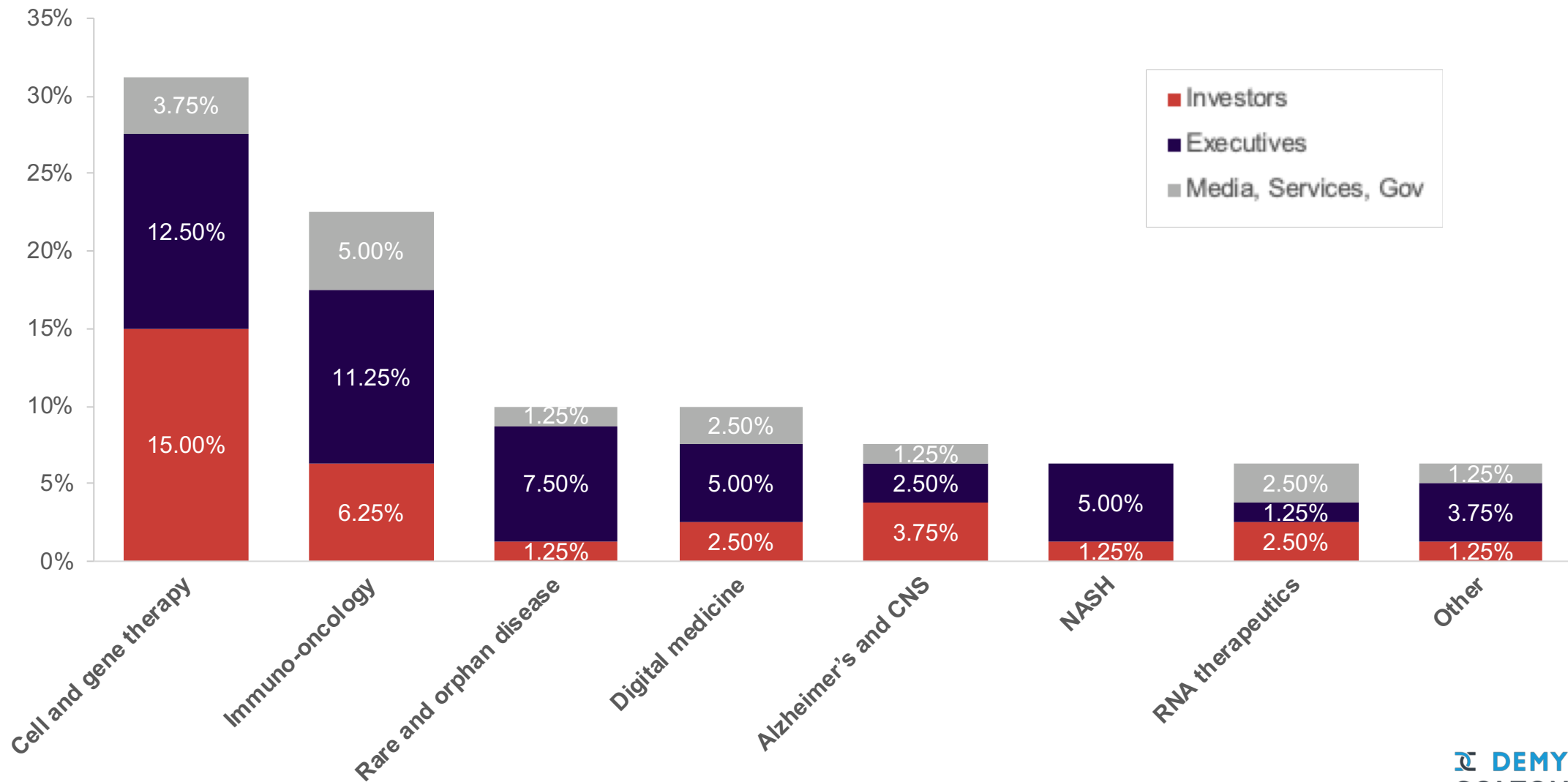


Question 3:

Of the following areas, which do you think is poised to have the biggest near-term breakthrough?

- Alzheimer's and CNS diseases
- Cell and gene therapy
- Immuno-oncology
- NASH
- RNA therapeutics
- Rare and orphan disease
- Digital medicine
- Other (please specify)

Of the major therapeutic areas, biotech leaders think cell and gene therapy is poised to have biggest breakthrough in 2019

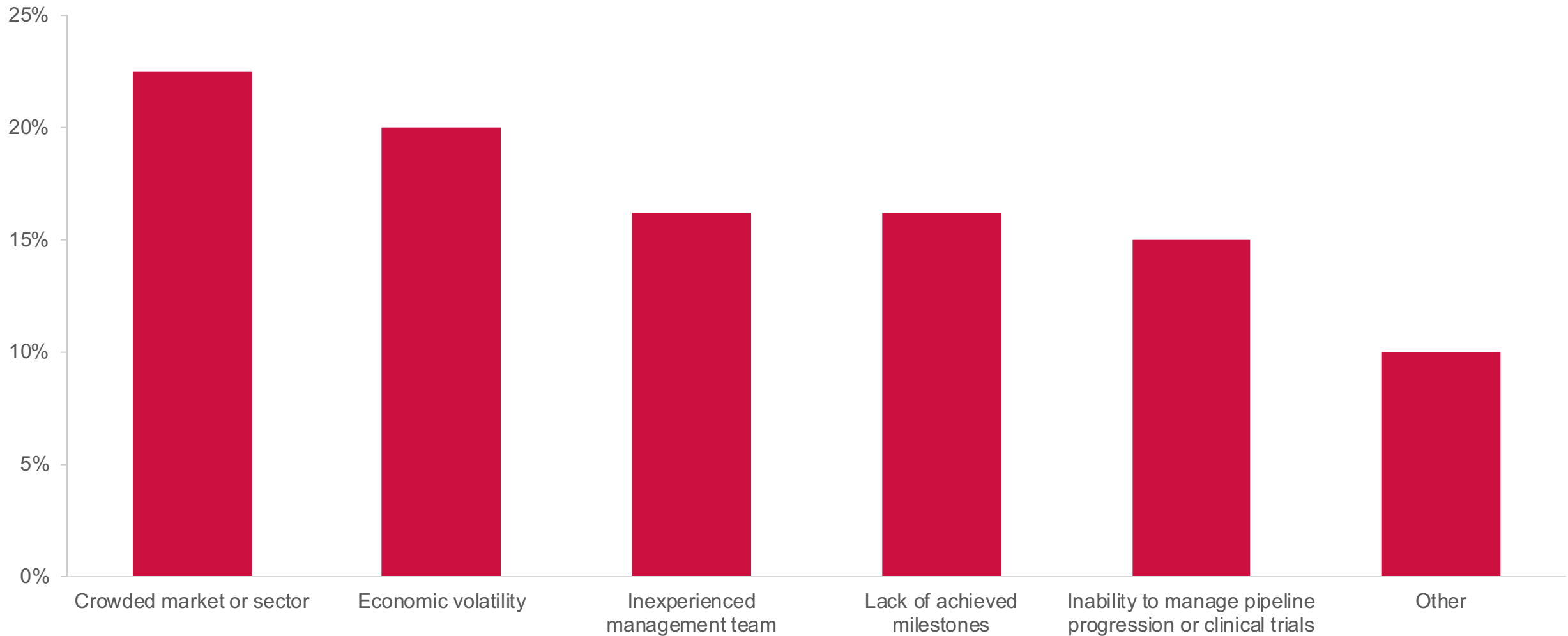


Question 4:

Of the factors listed below, what is the biggest challenge biotech companies face in securing funds in the coming year?

- Crowded market or sector
- Economic volatility
- Inexperienced management team
- Lack of achieved milestones
- Inability to manage pipeline progression or clinical trials
- Other (please specify)

Biggest challenges for securing funds in the coming year are crowded markets, economic volatility, and inexperienced management



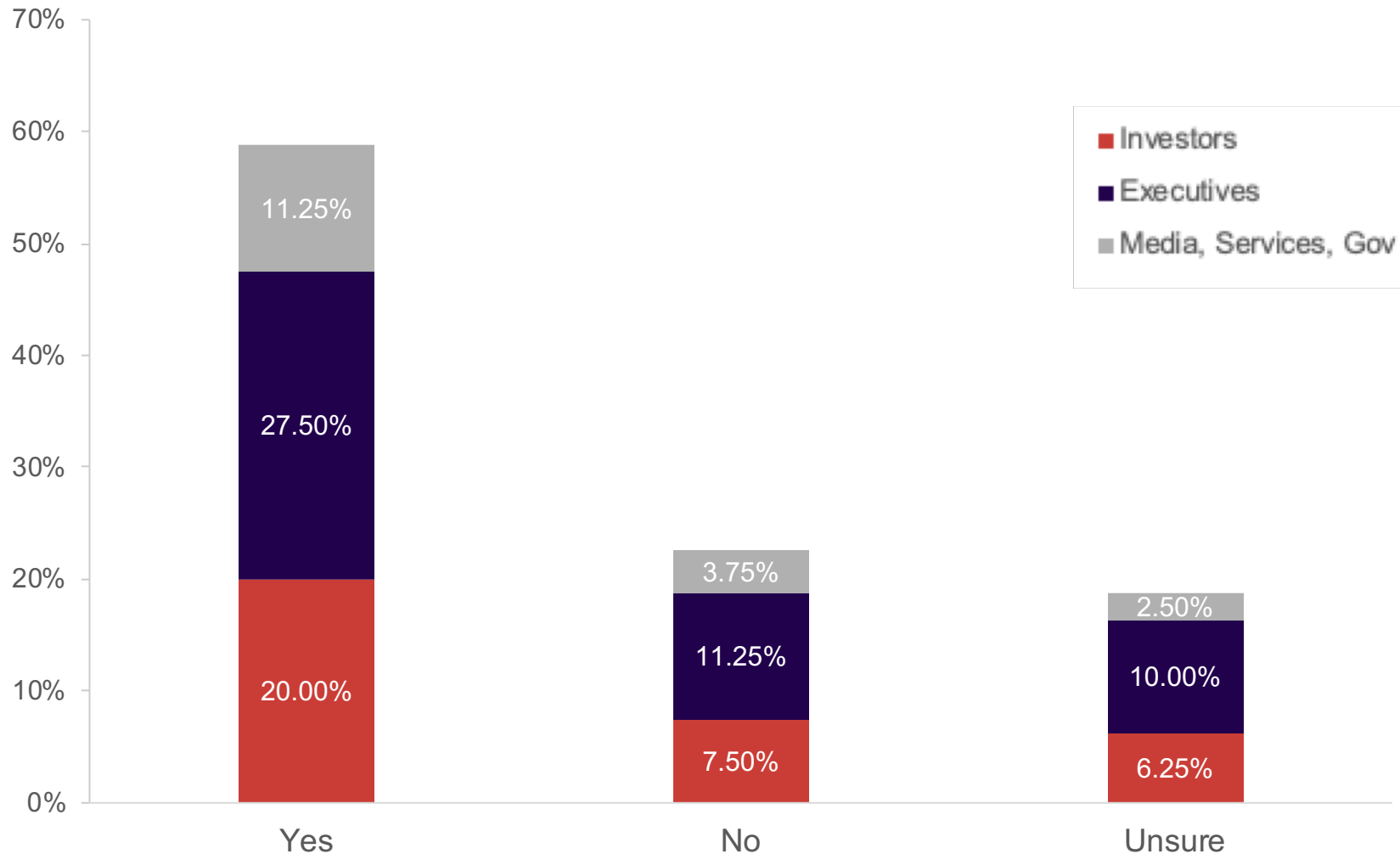
US Outlook

Question 5:

Do you expect the recent stock market volatility to affect overall biotech investment in 2019?

- Yes
- No
- Unsure

Most biotech leaders expect the stock market volatility to have an overall effect on 2019 investments

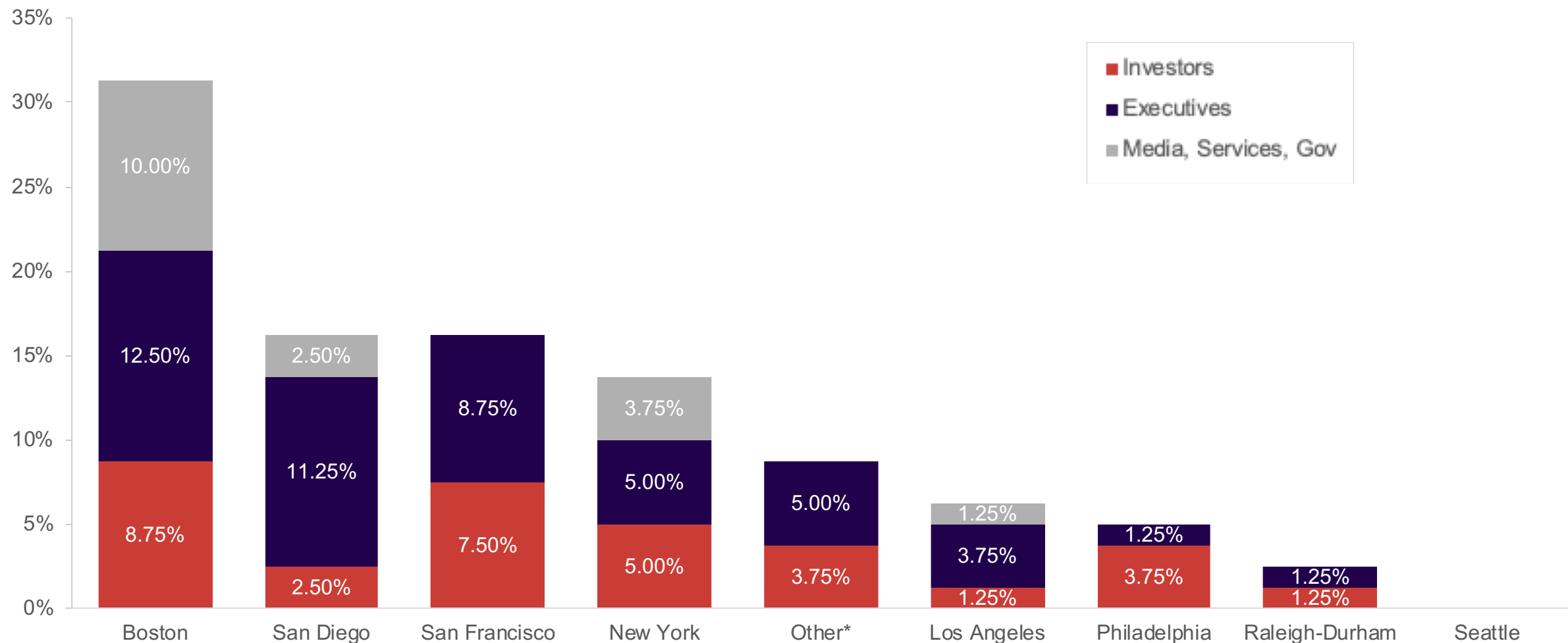


Question 6:

What US city/region will see the biggest percent increase in investment dollars in the biotechnology industry in 2019?

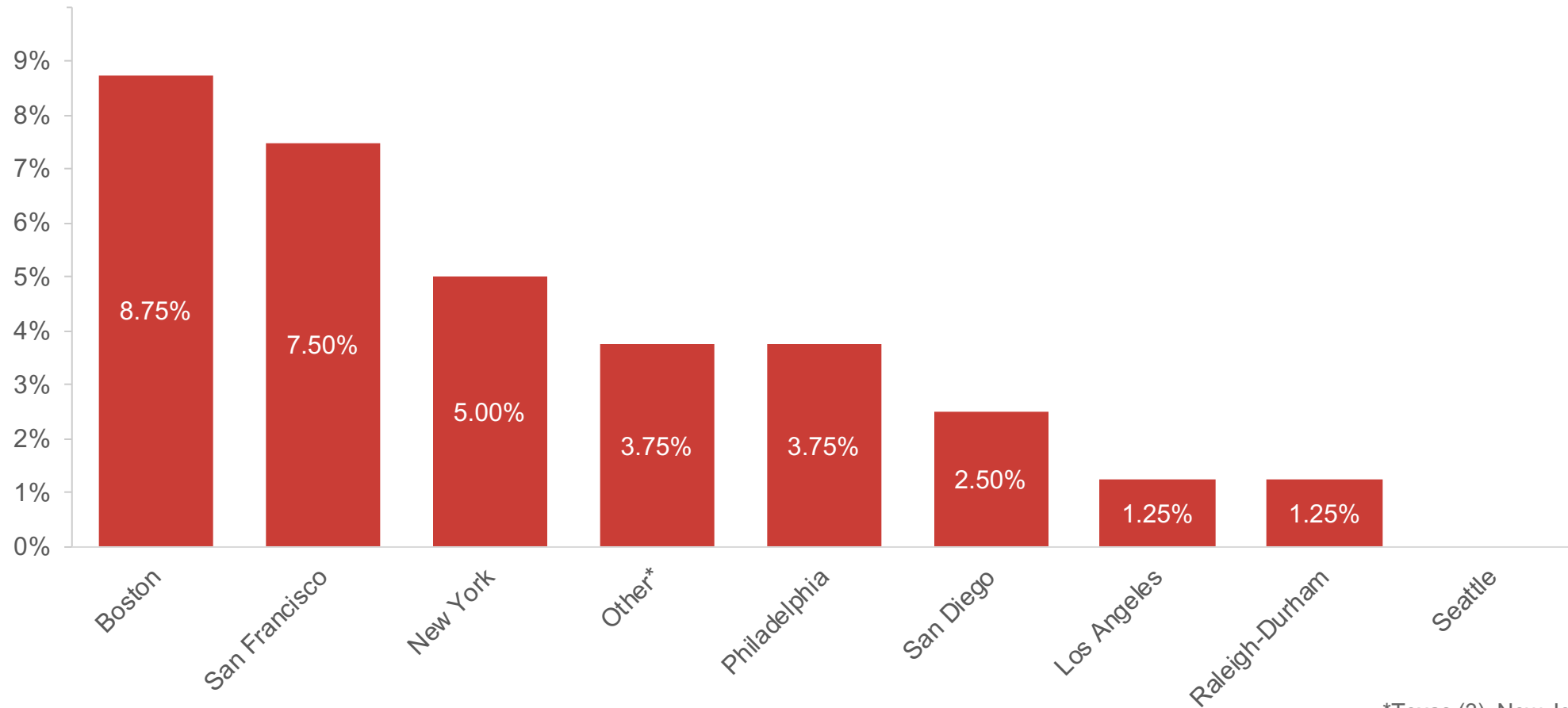
- Boston
- Los Angeles
- New York
- Philadelphia
- Raleigh-Durham
- San Diego
- San Francisco
- Seattle
- Other (please specify)

Boston holds #1 seat for predicted influx of investment dollars among the major U.S. cities



*Texas (3), New Jersey, Maryland

Investors think New York is the next city, after Boston and San Francisco, to see an influx of investment dollars in 2019



*Texas (3), New Jersey, Maryland

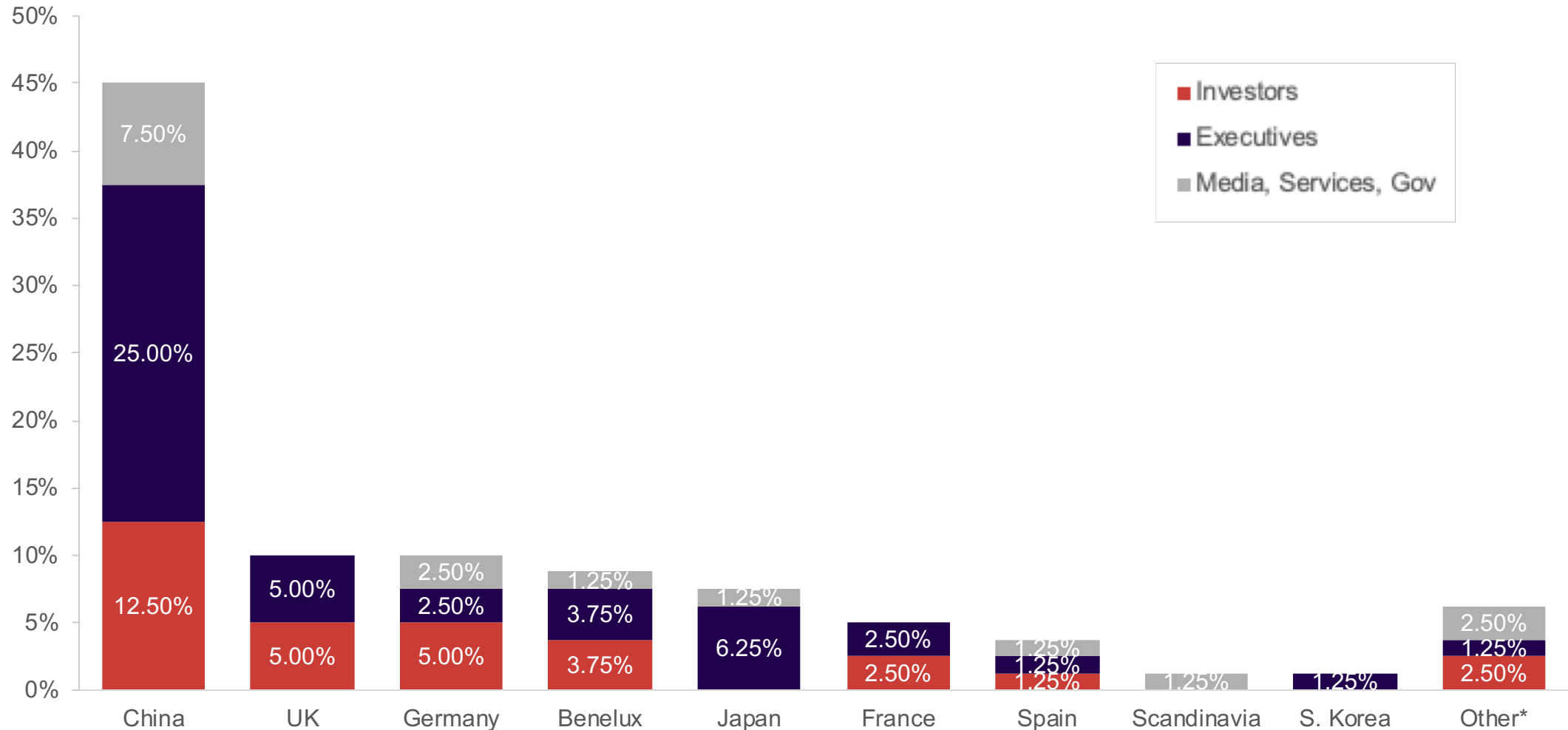
Global Outlook

Question 7:

Which region outside the United States will see the biggest percent increase in investment dollars in the biotechnology industry in 2019?

- China
- UK
- Germany
- Benelux
- Japan
- France
- Spain
- Scandinavia
- South Korea
- Other*

China predicted to see the biggest percent increase in 2019 biotech investment dollars when compared to other global biotech hot spots



*Israel (3), Singapore, Unspecified

Question 8 & 9:

What impact will US/China trade war have on strategy for investment, partnerships, or expansion in China?

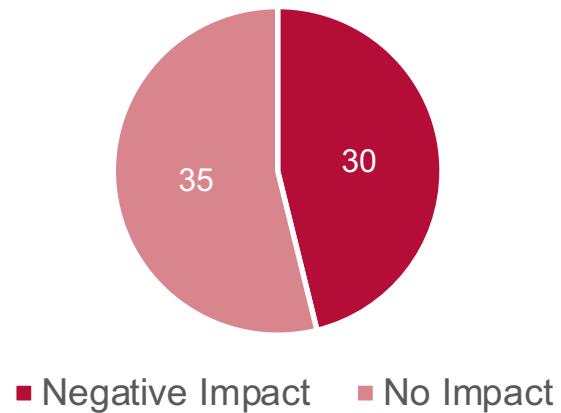
- Negative Impact
- No Impact

Will this trade war have a long-term impact on biotech investments originating from China?

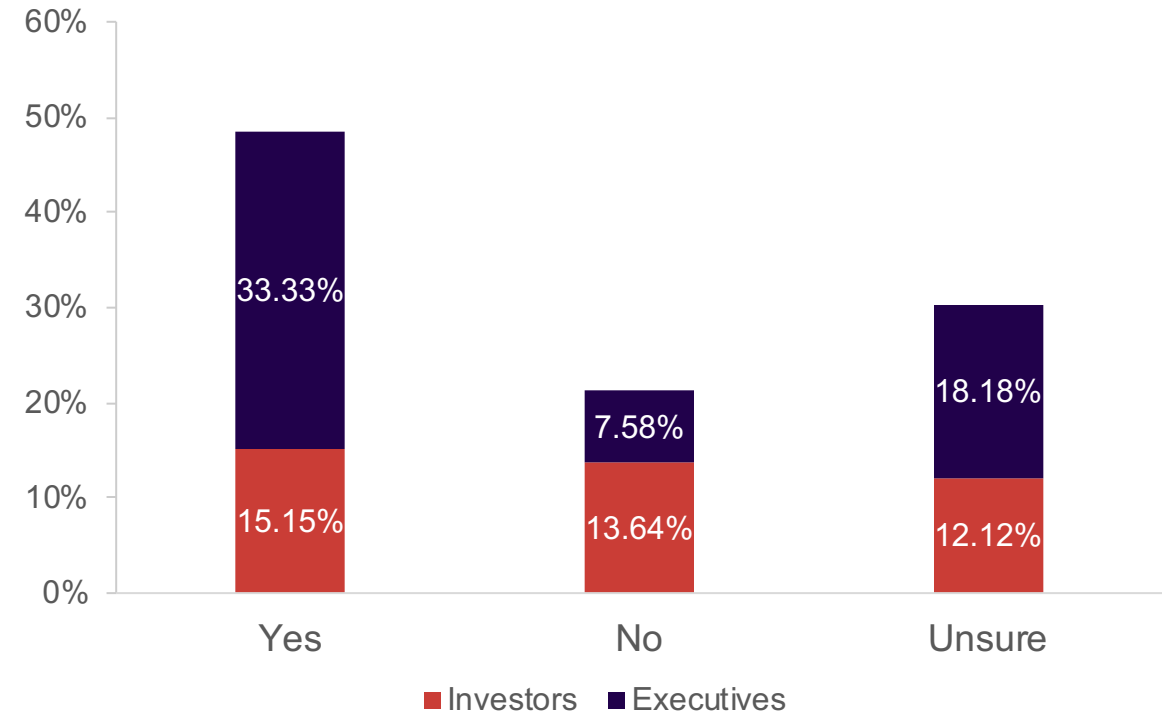
- Yes
- No
- Unsure

While life science leaders do not expect the U.S./China trade war to have an impact on their regional strategies, they do expect it will have long-term impact on investments coming from that region

Investor and Executive Responses



More than half of biotech leaders think the trade war with China will have no impact on their strategy for partnerships, investments, or expansion in this region



One third of biotech executives think the trade war will have a long term impact on investments originating from China

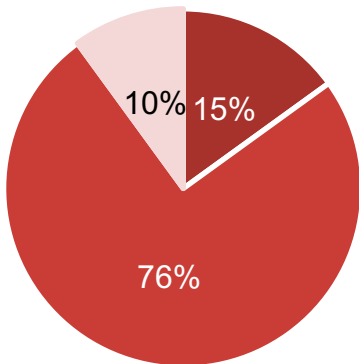
Question 10:

What impact will the UK exit from the EU in March 2019 have on investment in the regions below?

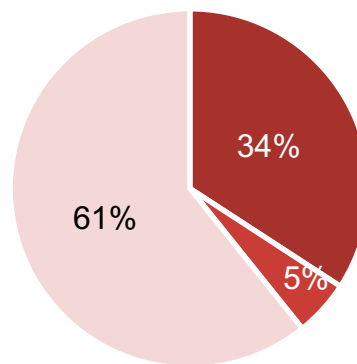
- United Kingdom, North America, European Union, Other Global Markets
 - Increase
 - Decrease
 - No change

When the UK exits from the EU in March, investors expect to see a decrease in investments in the UK while other markets will see an increase or remain unchanged

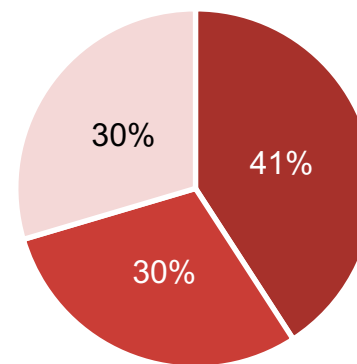
United Kingdom



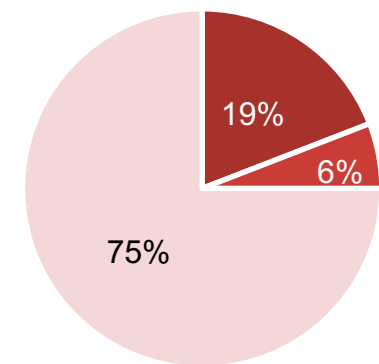
North America



European Union



Other Global Markets



■ Increase ■ Decrease ■ No Change