

PRIVATE EQUITY NEWS

10 Fleet Place,
Limeburner Lane,
London EC4M 7QN

Editorial

Editor

Ayesha Javed
+44 (0) 20 3426 1123
Ayesha.Javed@wsj.com
@AyeshajavedPEN

News Editor

Dan Dunkley
+44 (0) 20 3426 1120
daniel.dunkley@wsj.com
@mrdandunkley

Reporters

Alec Macfarlane
+44 (0) 20 3426 1349
alec.macfarlane@wsj.com
@AlecMac11

Becky Pritchard
+44 (0) 207 842 9815
becky.pritchard@wsj.com
@beckspritchard

Sub-Editors

Keith Burton / Keith Sellick
peneditorial1@dowjones.com

Production

Greg Russell
greg.russell@dowjones.com

Advertising and sponsorships

Advertising Account Executives

Joseph Koskuba
+1 212 416 3879
Joseph.koskuba@dowjones.com

James Lindquist
+1 415 439 6665
James.Lindquist@dowjones.com

Corporate licences/subscriptions

Senior Account Manager – Product Sales

Sioni Davies
+44 (0) 20 3217 5378
sioni.davies@dowjones.com

Customer services

+44(0)20 3426 1314

Dow Jones
Private Equity Analyst

The Wall Street Journal, Dow Jones
Newswires, LBO Wire and Private
Equity Analyst are owned by Dow Jones,
the parent of Private Equity News

To trial our sister publication
Private Equity Analyst contact:
+44 (0) 20 3217 5176
privatemarkets.sales@dowjones.com

Printed by: Pureprint Group
Distributed by: Citipost
Published by: eFinancialNews Ltd ©2013

VentureWire

VentureWire is a daily publication by
Dow Jones covering global news about
start-ups and venture capital

No part of this publication may be
reproduced or used in any form of
advertising without prior permission in
writing from the editor. All rights reserved.

ISSN 1741-9085

A Rising Biotech Market Offers Great Opportunities

Comment

Alfred
Scheidegger,
Chief executive
Nextech Invest



A combination of market growth, patent expiries, new technologies and novel targets are driving big pharma acquisitions

Last year was a stellar year for the biotech industry. In the 12 months to December 31, the biotech sector listed 58 companies on global stock exchanges raising more than \$3.8 billion from public investors, according to industry information provider BioCentury Publications. The most successful initial public offerings were in the oncology space, which provided 25 new listings with names such as Epizyme, Agios, Foundation Medicine, MacroGenics and TetraLogic. It has been 13 years since the "Biotech Bubble" burst but for sure the markets are now back and more

robust and professional than before. In the interim, there has been a shake-out of weak companies and investors. Today, professional investors are more diligent and there are better investment selection processes supporting the sector, which more than ever before is based on strong scientific knowledge, execution power and exciting new drug targets.

Along with these changes, there have been significant changes in the risk profile of the sector and a move to fair valuations and real returns. The sector has moved away from the hype of the first decade this century and into safer waters where about half of approved drugs are now originating from biotech companies.

There are many biotech start ups worldwide with real potential, especially in areas such as cancer where there is a high medical need for new treatment options and diagnostics. All of this creates tremendous opportunities for investors.

One major difficulty for professional biotech investors is selecting the best opportunities across various disease categories and therapeutic technologies – this is the model followed by almost all venture capital investors. At Nextech Invest we take a different view.

Concentrating only on the oncology space,

we analyse about 100 companies a year, all of which were identified by collaborating with leading experts in the field. Our scientific advisory board plays a major role in evaluating potential investment opportunities. On average, we invest in one company out of every 70 we analyse, which equates to about 1% of global cancer companies, this approach ensures selection of the best opportunities.

Scientific research in oncology is vitally important to meet therapeutic and diagnostic needs. The estimated number of new cancer

cases is more than 14 million per year. This represents about a \$77 billion market for cancer therapeutics in 2012, which could lead to a market of more than \$100 billion in 2020, according to information provider Biomarket Group's *Oncology Market Leaders – analysis and outlook 2010-2025*.

A combination of market growth, patent expiries, new technologies and novel targets are major reasons driving big pharmaceutical companies to acquire up to 500 biotech companies a year, so even without stellar public markets, the M&A business alone is outstanding in the biotech space.

To specialise in oncology needs a deep understanding of the science and constant new discoveries, add to this the 250 different types of cancer, each with its own distinct set of issues and molecular targets, the oncology field becomes a real puzzle for the non-specialist. A scientific advisory board of world leading key opinion leaders is the way to approach this enigma.

Having recently made our last investment for the Nextech III Oncology fund in Blueprint Medicines, a company developing selective kinase inhibitors targeting cancers driven by genomic alteration, we expect to prove once more our investment approach.

Highlights from penews.com

Survey Finds More Women in Alternatives Plan to Launch Own Funds

Laura Kreutzer – January 16, 2014

Women in private equity still lag their hedge fund peers when it comes to breaking through the glass ceiling of upper management, including firm ownership, according to the latest survey of women in alternative investments conducted by tax, auditing and advisory firm Rothstein Kass.

However, the study also found that across the alternative investment industry, a greater

percentage of women hope to run their own funds over the next five years.

Rothstein Kass's third annual study, *Women in Alternative Investments: A Marathon, Not a Sprint*, surveyed 440 women working at various alternative asset managers, including hedge funds, private equity firms and venture capital firms. Hedge fund industry employees represented 39.8% of respondents, while 25.2% worked for private equity firms and 7.5% were venture capital professionals. About 70% of