

HealthCap

Dr. Björn Odlander

The Investor's Perspective

An Experienced and Cohesive Team

Partners

Björn Odlander, M.D., Ph.D (Partner since 1996)

Staffan Lindstrand, M.Sc (1997)

Eugen Steiner⁽¹⁾, M.D., Ph.D (1997)

Anki Forsberg, L.L.M, MBA (1999)

Carl-Johan Dalsgaard⁽¹⁾, M.D., Ph.D (2000)

Per Samuelsson, M.Sc (2000)

Johan Christenson, M.D., Ph.D (2001)

Jacob Gunterberg, M.Sc (2007)

Mårten Steen, M.D., Ph.D (2010)

Jonas Hansson⁽¹⁾, M.Sc, MBA (2012)

Chairman

P-O Eriksson, M.Sc (Chairman since 1996)

Industry Advisors

Mr. Göran Lerenius

Mr. Per-Olof Mårtensson

Dr. Ørn Stuge

Investment Advisors

Mr. Frank Caufield

Mr. Louis Gerken

Mr. Thomas Halvorsen

Scientific Advisors

Prof. Bengt Samuelsson

Prof. Mathias Uhlén

Prof. Kjell Strandberg

Special Advisor

Dr. Hugh Rienhoff

Background

General Counsel Astra AB /AstraZeneca Plc

COO of both Pharmacia & Astra

Senior Vice President Medtronic, Inc.

Founding Partner of Kleiner, Perkins, Caufield & Byers

Group Head of Prudential Technology Investment Banking Division

CEO of the Fourth Swedish National Pension Fund

Professor at KI, Former Chairman of the Nobel Foundation, Nobel Laureate

Professor at KTH, Successful innovator and entrepreneur

Director General Medical Products Agency, Chairman NDA Advisory Board

US venture capitalist/entrepreneur (Vanguard, Abingworth, NEA), CEO FerroKin

(1) Venture Partner

Leading the northern European life science VC industry

17 years of VC investing:

1996

first close of HealthCap I.

6

main funds established since inception.

900

million in raised capital, largest pool in the region.

98

investments in the Nordic region, Europe and North America.



Latest investment is Norwegian radiopharmaceutical company Nordic Nanovector AS, developing a novel tumor specific antigen for the treatment of Non-Hodgkin's lymphoma (NHL). HealthCap committed to invest NOK 50 million.

Leading the northern European life science VC industry

Financial performance:

55

fully realized investments.



Number 56 will be Norwegian oncology company Algeta AS, acquired by Bayer AG for USD 2.9 billion in a deal expected to close in early March, 2014. HealthCap has been an investor in the company since 2005, and is the largest shareholder.

30

companies taken public on eight different markets.



Latest IPO was US orphan drug company Ultragenyx Pharmaceutical Inc., in a highly oversubscribed IPO on Nasdaq in January. Post IPO share performance is +181% as of Feb 25th.

6.5

EUR billion in total funding raised in portfolio companies.

Leading the northern European life science VC industry

Industrial performance:

19

approved pharma products totaling USD 3 billion in current sales.

40+

marketed medtech products.

60+

clinical trials ongoing in current portfolio companies.

350

EUR million in annual sales in current portfolio companies.

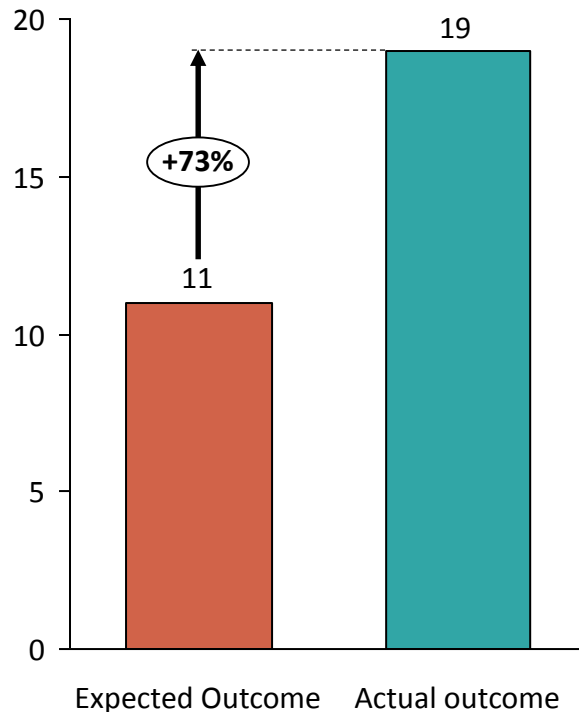
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major licensing deals during the last three years (total value USD 5bn).

HealthCap Portfolio Companies Bring Products to the Market

Superior Productivity in HealthCap Companies

Number of Approved Pharma Products



Note: Since inception

Selected Product Launches



Xofigo launched in the US (2013)



Zubsolv launched in the US (2013)



Opsumit launched in the US (2013)



Cerament/G launched in Europe (2013)



Abstral launched in the US (2011)



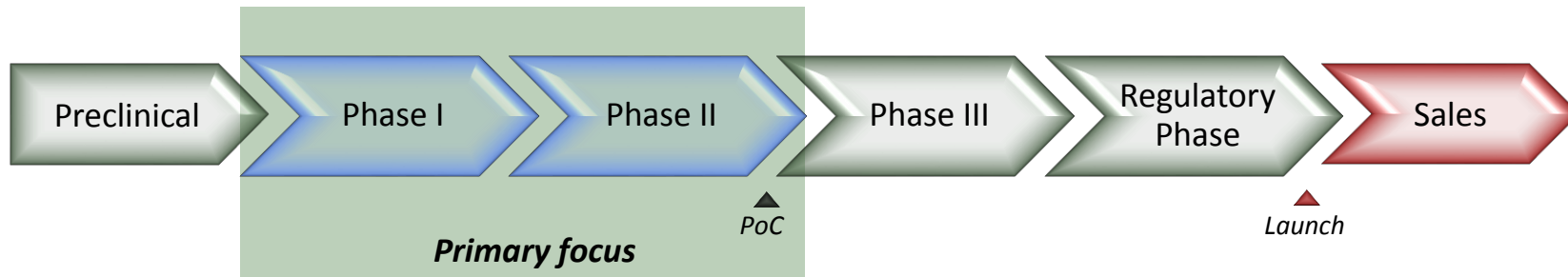
Firazyr launched in Europe (2008)



Tracleer launched in the US (2001)

Approved Products Sources: HealthCap internal analysis, and industrial development averages from D. Brown and G. Superti-Furga, Drug Discovery Today, 2003
 Approved Products Note: No double-counting of compounds. Including exited companies. No adjustment for licensing. Expected numbers have been calculated using industry average attrition rates and development times. HealthCap I & II, III, IV, V and VI have been treated as 16, 13, 10, 6 and 2 year old respectively (based on median investment)

Focus on the Development Stages with Maximum Value Acceleration



- Generally less attractive risk-reward profile if investing in early-stage NCEs (New Chemical Entities)
- Primary focus to create **de-risked growth opportunities at early stage valuations**
 - Shorter time to significant value events
 - Capital-efficient business models to create sustainable companies
 - Innovative products that address unmet medical needs, mitigating regulatory and reimbursement risks

Need to demonstrate VALUE for patients, payors and providers

- Patient centric healthcare, and new forms of payer-provider models.
- Focus on diseases with poor treatment options.
- Science is breakthrough only if it improves standard of care.
- Products must provide value from a health economics perspective.
- Pricing and reimbursement potential are essential parts of investment due diligence.

BioCentury

"In the new ecosystem most products must provide a net savings to healthcare systems. There is very limited acceptance from payers for new products that increase costs to society."

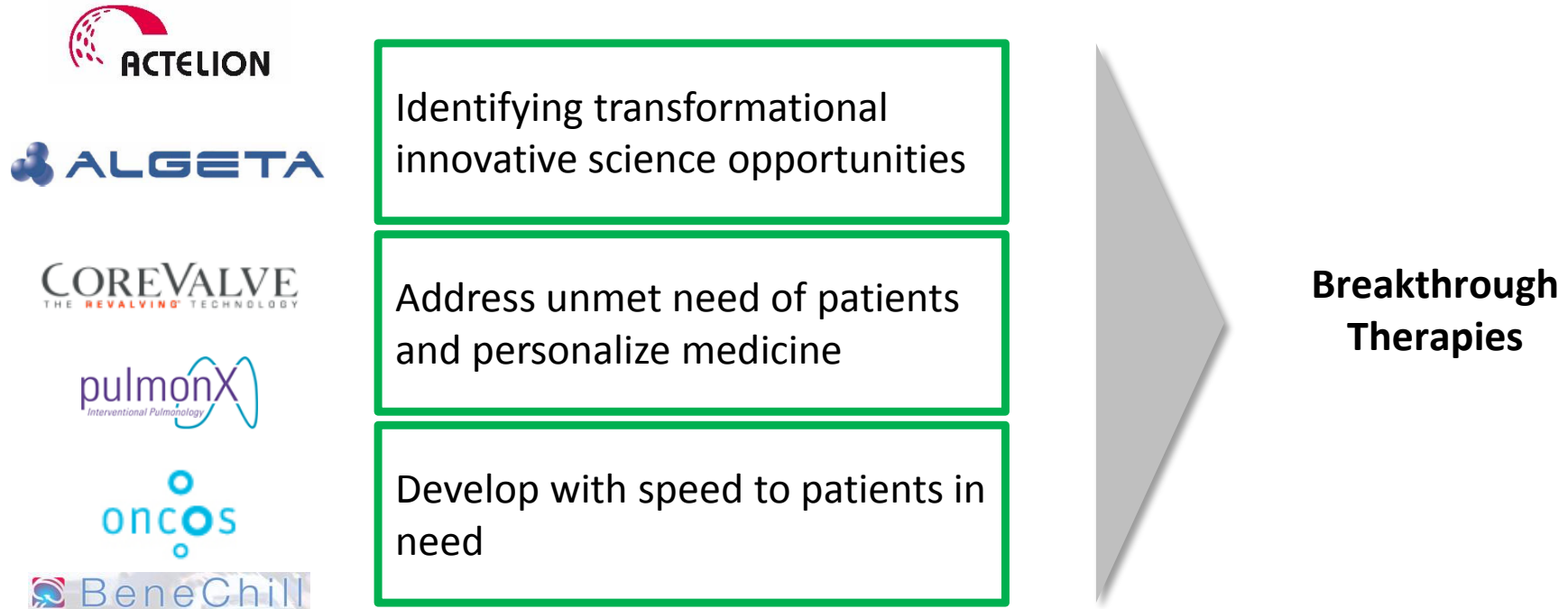
BioCentury, The Bernstein Report on BioBusiness



"Payors are not paying for science, they are paying for value."

Ernst&Young, Beyond Borders Biotechnology report

Our Strategy: Breakthrough Therapies



Bringing Significant Value to Patients and Society

Orphan drugs is an attractive space

Faster

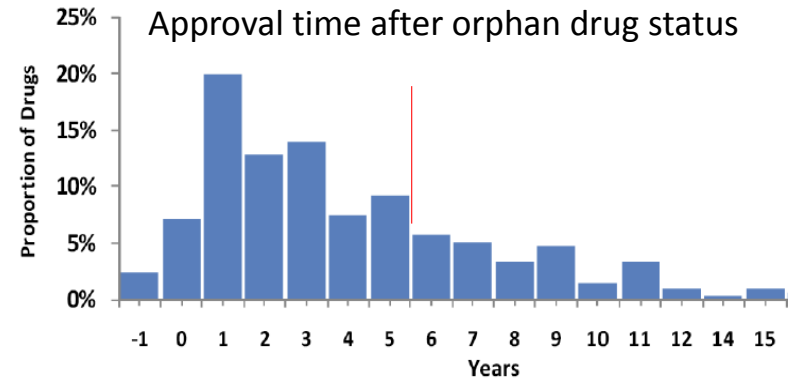
- POC established in small number of patients.
- Accelerated reviews and approvals by regulators.

De-Risked

- Straightforward interventions address root of disease not just symptoms .
- Well-understood pathologies - monogenic diseases.
- Going with biology.

Attractive

- High unmet medical needs justifying premium pricing and reimbursement.
- Market exclusivity.
- Focused marketing, highly specialized.

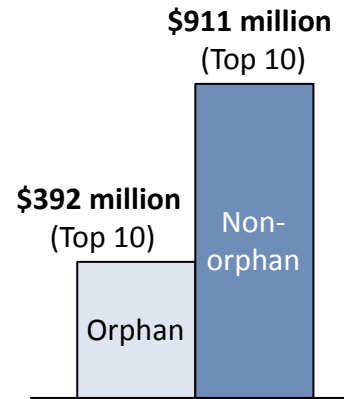


Source: FDA, Leerink Swann Research; HealthCap data.

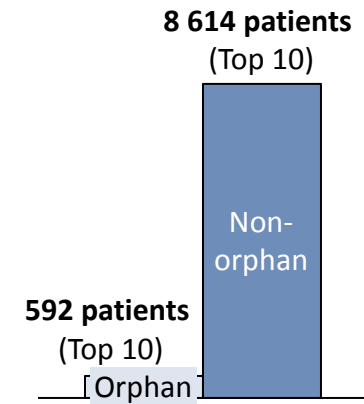
Orphan drugs is an attractive space

- By 2018, worldwide orphan drug sales is expected to be USD 127 billion.
- Orphan drug growth rate will be 2x overall drug market.

Average US potential sales 5 years after launch
(2012 FDA approvals)



Average phase III trial size
(2012 FDA approvals)



Up to USD 325 million

March, 2012



EUR 328 million

July, 2008



Going forward

- Changed process by which healthcare value is defined, created and delivered.
- New products need to be differentiated from standard of care and provide additional value to succeed.
- The transition to value-based healthcare provides a range of investment opportunities.
- Orphan drugs continue to be attractive.
- Entry valuations remain favorable.
- Ecosystem adapting.
- Industrial integration of innovation.
- Shift from austerity to opportunity.