PharmaDeals v4 Agreements
Glossary

Company Size

Global
Multinational companies with a true global presence, including the top 30 healthcare companies as ranked annually by PharmaDeals. These companies are subject to change following merger and acquisition activity in the industry:
Pfizer, Novartis, Merck & Co., Sanofi, Roche, GlaxoSmithKline, AstraZeneca, Johnson & Johnson, Abbott, Eli Lilly, Bristol-Myers Squibb, Teva, Amgen, Takeda, Boehringer Ingelheim, Bayer, Daiichi Sankyo, Novo Nordisk, Astellas, Gilead, Otsuka, Merck KGaA, Baxter, Mylan, Servier, Mitsubishi Tanabe, Celgene, CSL, Allergan, Forest

Mid-size
Not of the top 30 global companies but still has a worldwide presence.

Start-up/Emerging
New and emerging companies, including biotechnology, drug delivery and enabling technology companies. These are companies that have no record of sustained profitability.

Principal/Originator Company
Typically the company that owns the product. In a licensing deal it is the licensor and in an M&A transaction it is the company being acquired.

Partnering Company
Typically the company that assists the originator company in developing the product, that pays to obtain rights to the product, or that pays to obtain a controlling interest in the product. In a licensing deal it is the licensee and in an M&A transaction it is the acquiring company.

Disease Area
WHO ICD
PharmaDeals v4 uses the World Health Organization’s (WHO) International Classification of Diseases (ICD). The ICD is the international standard diagnostic classification for all general epidemiological, many health management purposes and clinical use. PharmaDeals deploys ICD-10. Further information can be found at http://www.who.int/classifications/icd/en

Definition of Disease Area
PharmaDeals v4 uses ICD-10. Definitions for all the classifications are found here: http://apps.who.int/classifications/apps/icd/icd10online/

Company Types

Academic/Institute
Includes universities, hospitals, research institutes, any non-profit organisations, and international or regional bodies (e.g. World Health Organization).

Financial
Includes banks, investment houses and venture capital companies.

Government
Includes any government body or affiliate.

Other
Includes pharmaceutical manufacturers and contract research organisations.

Deal Types: Finance

Equity Investment
The purchase of part of a company in the form of shares.

Equity Reacquisition
The purchase of shares by a company from a group/individual who had made prior equity investment(s) (q.v.) in that company.

Funding
The provision of finance to a body, either private or academic, by an independent organisation.

Joint Venture
The process whereby two (or more) companies combine their efforts and/or resources. May focus upon R&D, marketing or production activities, and is achieved by the formation of a new company in which each of the groups is/are partners (includes JVs that may not be 50:50).

Royalty monetisation
The sale of the royalty rights to a product/technology.
Deal Types: Mergers & Acquisitions

**Asset Acquisition**
A transaction whereby one company obtains controlling interest in asset(s) from another.

**Business Acquisition**
One company taking over controlling interest (usually 50%) in another company. Involves one company buying the shares of another company. May be described as a merger, however technically it will be a business acquisition.

**Demerger**
Opposite of merger, not a reverse merger (see Merger).

**Divestment**
The sale of a component or component company/subsidiary of a company to another company.

**Merger**
A combination of two or more companies through either a pooling of interests or a purchase, or a consolidation (where a new company is formed to acquire the net assets of the combined companies). Includes reverse mergers (or reverse takeovers), which can occur in different forms: (1) a private company purchases a public one; (2) a method of listing a private company while bypassing most securities regulations, whereby a shell public company buys out a functioning private company whose management then controls the public company; or (3) where a smaller company merges with (acquires) a larger one.

Deal Types: Marketing

**Co-Marketing**
Two or more companies marketing the same product under different brand names, within the same market.

**Co-Promotion**
Two or more companies sharing the cost of the product promotion and marketing within the same market.

**Distribution/Marketing**
Other distribution and marketing–related deals

Deal Types: Other

**Contract: Manufacture**
The establishment of an agreement whereby one company manufactures a product on behalf of another, commonly on a specific scale or at a specific
<table>
<thead>
<tr>
<th>Contract: Other</th>
<th>A contract agreement distinct from the ‘other’ given contract categories.</th>
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<tbody>
<tr>
<td>Contract: Research</td>
<td>The establishment of an agreement whereby one company performs research on behalf of another. (This generally applies to CROs and small biotechs providing services.)</td>
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<tr>
<td>Evaluation</td>
<td>A deal whereby one company enters into an agreement for another company to evaluate its product or technology, commonly with a view to future commercialisation by the company undertaking the evaluation.</td>
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<tr>
<td>Information Access</td>
<td>The payment of a fee by one company in exchange for access to information owned by another.</td>
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<tr>
<td>Manufacture/Supply</td>
<td>An agreement whereby the manufacture and / or supply of a product to a particular market is undertaken either by the company that developed that product or by a different company.</td>
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<tr>
<td>Other</td>
<td>Any other deal type not already covered.</td>
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<tr>
<td>Technology Access</td>
<td>A process whereby one company pays another company or individual for the ability to utilise their technology, usually by means of licensing.</td>
</tr>
<tr>
<td>Technology Acquisition</td>
<td>A process whereby one company pays another company or individual for a technology, not usually based upon licensing agreements.</td>
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</table>

**Product Deals**

<table>
<thead>
<tr>
<th>Clinical and Commercial</th>
<th>Two (or more) companies working together for the clinical development and commercialisation of a product.</th>
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<tbody>
<tr>
<td>Co-development</td>
<td>Two (or more) companies working together to develop a product. Includes clinical co-development and co-development of products that do not undergo clinical development.</td>
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<tr>
<td>Co-commercialisation</td>
<td>Two (or more) companies working together to commercialise a product. Or companies together market and distribute the product.</td>
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</table>
Collaborative R&D
Two (or more) companies working together in early-stage (preclinical or earlier) research.

Licensing
Licensing of the rights to a product, technology or patent(s) in return for a licence fee. The licensor retains ownership of the IP.

Option to license
An agreement that grants a party the right, but not the obligation, to license an asset at some future time. May involve an option fee and/or an option exercise fee.

Product Acquisition
A transaction whereby one company acquires, rather than licenses, a product from another company.

Quid pro quo
An exchange of product(s) (usually approved and marketed) between two companies, usually as part of a licensing deal for a development stage product(s).

Rights
The acquisition (purchase rather than licensing) of rights (exclusive or non-exclusive) to a product, technology or patent(s) from a licensor/owner.

Rights Reacquisition
The reacquisition of the rights to a product, technology or patent(s) from a prior purchaser of that product/technology.

Settlement
A contractual agreement between parties to actual or potential litigation under which each party agrees to a resolution of the underlying dispute. May involve licensing or cross-licensing.

General Product Types

Biomarkers
Any transaction relating to a naturally occurring molecule, gene or characteristic by which a particular pathological or physiological process or disease can be identified.

Companion Diagnostic
Any transaction relating to a diagnostic that provides information that is essential for the safe and effective use of a corresponding therapeutic product. Includes diagnostics to identify patients who are most likely to benefit from a particular therapeutic product, diagnostics to identify patients likely to be at increased risk for serious adverse reactions as a result of treatment with a particular therapeutic product and diagnostics to monitor response to treatment for the purpose of adjusting treatment (e.g. schedule, dose) to achieve improved safety or
effectiveness.

<table>
<thead>
<tr>
<th>Category</th>
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<tr>
<td><strong>Diagnostic</strong></td>
<td>Any transaction relating to products or technologies involving the determination of cause or confirmation of an illness.</td>
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<tr>
<td><strong>Drug Delivery Technology</strong></td>
<td>Any transaction relating to products or technologies involved in the delivery of drugs to the body. Includes gene delivery.</td>
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<tr>
<td><strong>Evidence-based Research</strong></td>
<td>Any transaction relating to evidence-based research to inform pharmaceutical R&amp;D and/or improve the treatment of disease. Includes comparative effectiveness studies.</td>
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<tr>
<td><strong>Manufacturing Technology</strong></td>
<td>Any transaction relating to technologies involved in the manufacturing of therapeutics, diagnostics, medical devices or vaccines.</td>
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<tr>
<td><strong>Medical Device</strong></td>
<td>Any transaction relating to products or technologies that are used as a device within the medical industry. Includes biomaterials, lab equipment, monitoring devices, surgical devices etc.</td>
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<tr>
<td><strong>OTC</strong></td>
<td>Any transaction relating to products or technologies that are sold over the counter.</td>
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<tr>
<td><strong>Protein engineering</strong></td>
<td>Any transaction relating to products or technologies for the engineering of the structure of proteins so as to produce desired properties, or the synthesis of proteins with particular structures. Includes antibody fragments, bispecific antibodies, antibody-drug conjugates and engineered proteins with novel amino acids.</td>
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<tr>
<td><strong>Research Technologies</strong></td>
<td>Any transaction relating to technologies involved in research. Sub classified, including for cell lines, assay detection, DNA, proteomics and bioprocessing.</td>
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<tr>
<td><strong>Software/Bioinformatics</strong></td>
<td>Any transaction relating to products or technologies that involves the use of computers in solving information problems in the area of life sciences. It mainly involves the creation of electronic databases of genomes and protein sequences, and techniques such as the three-dimensional modelling of biomolecules and biological systems. Includes in silico operations.</td>
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</table>
Therapeutic

**Biological:** Any transaction relating to products or technologies made from a living organism or its products and is used in the prevention, diagnosis or treatment of cancer and other diseases. Subclassified, including antibodies, cell therapy, stem cells, hormones, nucleotide-based and peptides.

**Gene Therapy:** Includes all aspects of gene therapy and any research relating to the structure or function of specific genes.

**Generic:** Generic versions of patent-expired medicines. These may or may not have their own brand names.

**Natural Product:** Any transaction relating to products or technologies involving compounds that occur naturally in living organisms. Includes extracts.

**Radiopharmaceuticals (Therapeutic):** Any transaction relating to therapeutic products or technologies that involve radioactivity.

**Small Molecule:** Any small molecule, i.e. a non-polymeric bioactive molecule that is not a peptide/protein, DNA/RNA or complex carbohydrate. Includes synthetic or foreign chemicals (xenobiotics) and vitamins and minerals.

**Vaccine**

Includes therapeutic and prophylactic vaccines, and vaccine and immunotherapeutic adjuvants.

**Deal updated**

Deal has been tracked and new information about the deal has been included in the deal details as an update.

**Other Deal Making Related Definitions**

- **DCF**
  
  Discounted cash flow.

- **Discount rate**
  
  A numerical expression of interest rate as it relates to NPV.

- **EBITDA**
  
  Earnings Before Interest, Taxes, Depreciation, and Amortisation.

- **eNPV**
  
  Expected Net Present Value.
<table>
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<tr>
<th>Acronym</th>
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<tr>
<td>IP</td>
<td>Intellectual Property.</td>
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<tr>
<td>NPV</td>
<td>Net Present Value.</td>
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<tr>
<td>SG&amp;A</td>
<td>Selling, General &amp; Administration costs.</td>
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**Definitions of Deal Status**

**Pending**
Deals where there is no definitive agreement in place. Includes Letters of Intent, Memoranda of Understanding, non-binding agreements, term sheets and option agreements.

**Live/Completed**
Deals where the parties have signed a definitive agreement or where the agreement has run its course through to completion. Includes all deals that are not classified as ‘Pending’ or ‘Terminated’.

**Terminated**
Live deals that have been terminated by the parties.

Any questions about PharmaDeals?
Contact us on pdenquiries@uk.imsheath.com

www.pharmadeals.net

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