VENTURE VALUATION
GLOBAL VALUATION SERVICES

The Valuation Experts

A Guide to Valuation for licensing to Pharma

Biotrinity, April 2026

Patrik Frei

www.venturevaluation.com

Overview

- **Industry trends**
- Valuation approaches
- Licensing Deals
- Conclusion

Company

SERVICES

VENTURE VALUATION GLOBAL VALUATION SERVICES

BIOTECH GATE BUSINESS DEVELOPMENT DATABASE

HELLO PARTNERING SPEED DATING FOR BUSINESS

OFFICES

HQ: Zurich with offices in Europe, North America and Asia

EMPLOYEES

40+ people in Switzerland (8) / UK & Ireland (8) / USA & Canada (3) / Malaysia (5) / India (18)

CLIENTS

Fundraising companies as well as Investors such as Novartis Venture Fund, GSK, European Investment Bank, 4SC, Arpida / Evolva, Ferring.

Biotech Associations / Governments like BioFlorida, Medicon Valley, Ausbiotech, BIO Deutschland, Maryland, Obn, Montreal Invivo, etc.

Biotechgate.com

BIOTECH GATE
COMPANY DATABASE

AusBiotech

mediconValley

Holland BIO

Maryland

BIO.NRW
Cluster Biotechnologie Nordrhein-Westfalen

BIOFLORIDA

obn Catalysing Success in Life Sciences

1) Business Development Database

- Licensing assets and products (95’000)
- Licensing agreements / terms (40’000)
- Financing rounds (35’000)
- Company profiles (65’000)

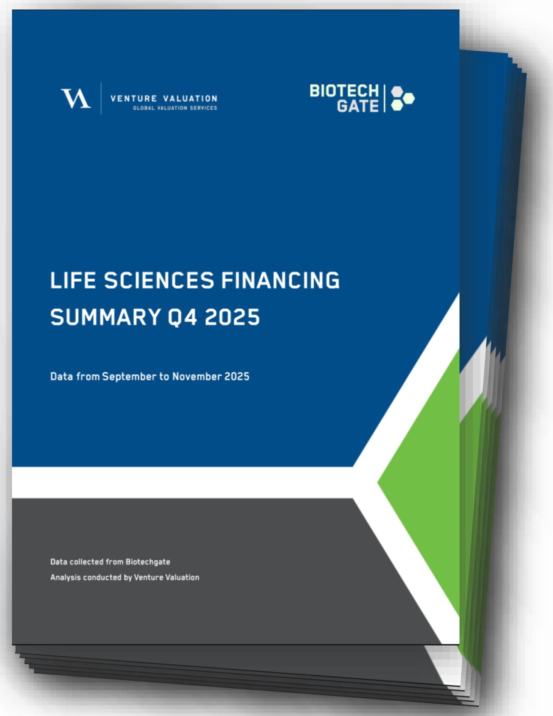
2) Investors database (LSN)

3) White label solution for clusters and association

Reports

Sign up for Newsletter
Get additional information

VC funding rounds



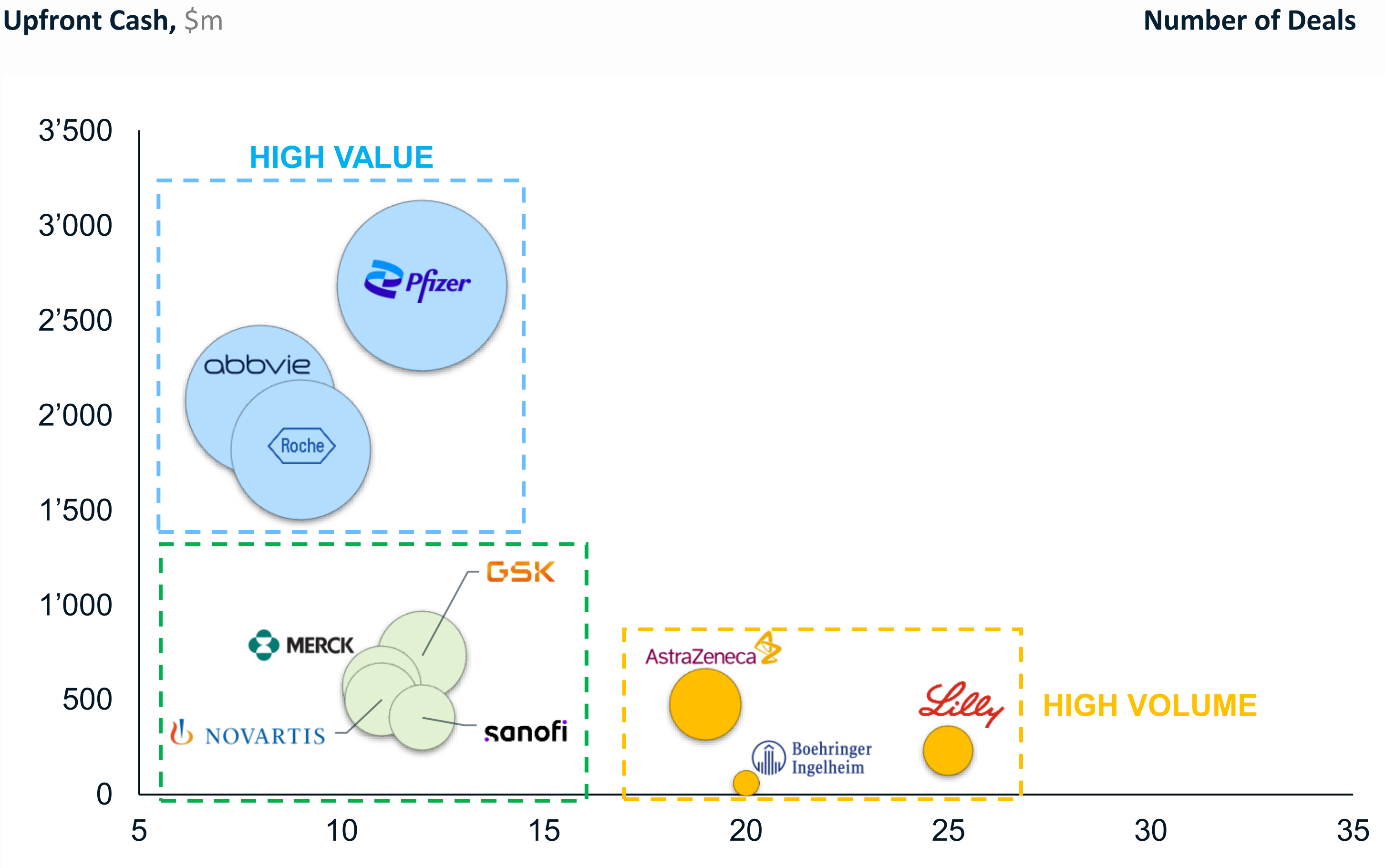
Licensing deals

M&A transactions

Latest report	Dec 2025	Feb 2026	Jan 2026

VENTURE VALUATION
GLOBAL VALUATION SERVICES

Top licensees strategies



Comments

- **High-value leadership:** Pfizer, AbbVie, and Roche lead in upfront capital deployment.
- **Volume-driven expansion:** Eli Lilly and Boehringer Ingelheim focus on high deal counts.
- **Mid-tier stability:** GSK, Merck, Sanofi and Novartis maintain a balanced risk-and-growth approach.

Bubble size correlates to total upfront cash | Includes only deals over the last 12 months | Source: Biotechgate Licensing Report – Feb 2026

Licensing challenges

- Pharma looking for later stage assets
- Patent cliff
- Platform / asset deal
- Uncertainty regarding pricing/reimbursement/tariffs
- Who takes how much risk / reward
- Strategic fit / internal competition

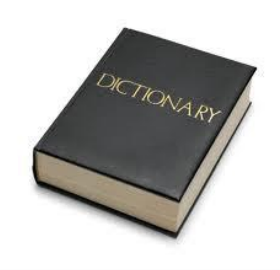
Licensing is a challenge for most companies

There are more projects than available partners

Overview

- Industry trends
- **Valuation approaches**
- Licensing Deals
- Conclusion

Why valuation?



- **Value:** implies the inherent worth of a specific thing
- **Price:** depending on the market (supply / demand); whatever somebody is prepared to pay

"Price is what you pay. Value is what you get."
By Warren Buffett

→ **Provide basis for negotiation, investment decision, fair share price**

Why Valuation?

- Out-licensing of a phase II product
- Deal terms:

	up-front	USD 10 m
	milestones	USD 200 m
	royalties	7%

- rNPV of product ?
- rNPV of deal ?

⇒ rNPV of product: USD 90 m

⇒ rNPV of deal: USD 30 m

⇒ Split Biotech / Pharma: 33% / 66%

rNPV: risk adjusted net present value

Valuation Approaches

- **Operations-based methods:**

    Business plan, fundamentals

- **Market-based methods:**

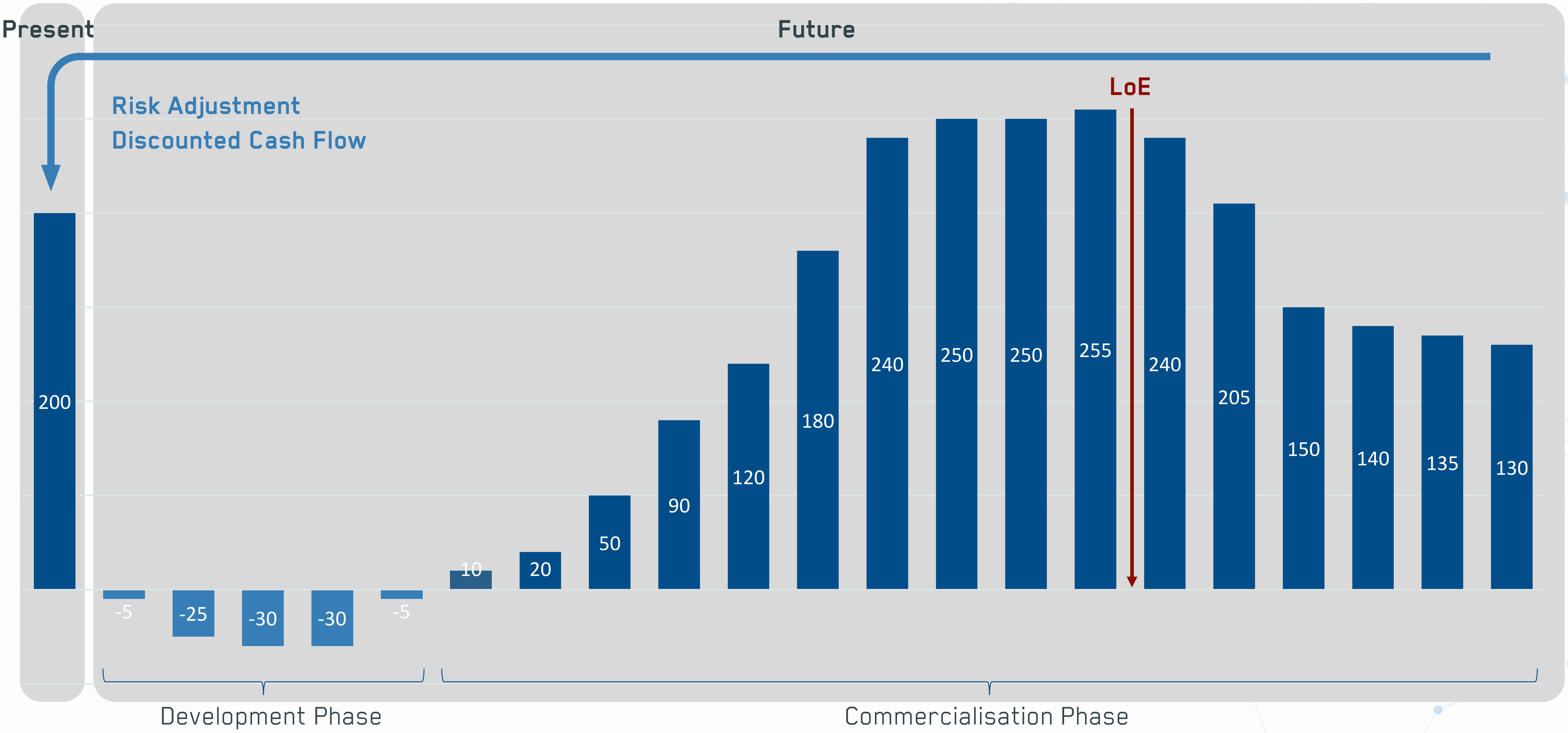
    Price, trends, comparison difficulties

Discounted Cash Flow	**Operations Methods**
rNPV	
Real Options	
Venture Capital Method	**Mixed Method**
Market Comparables	**Market Methods**
Comparable Transactions	

There is no "right method"

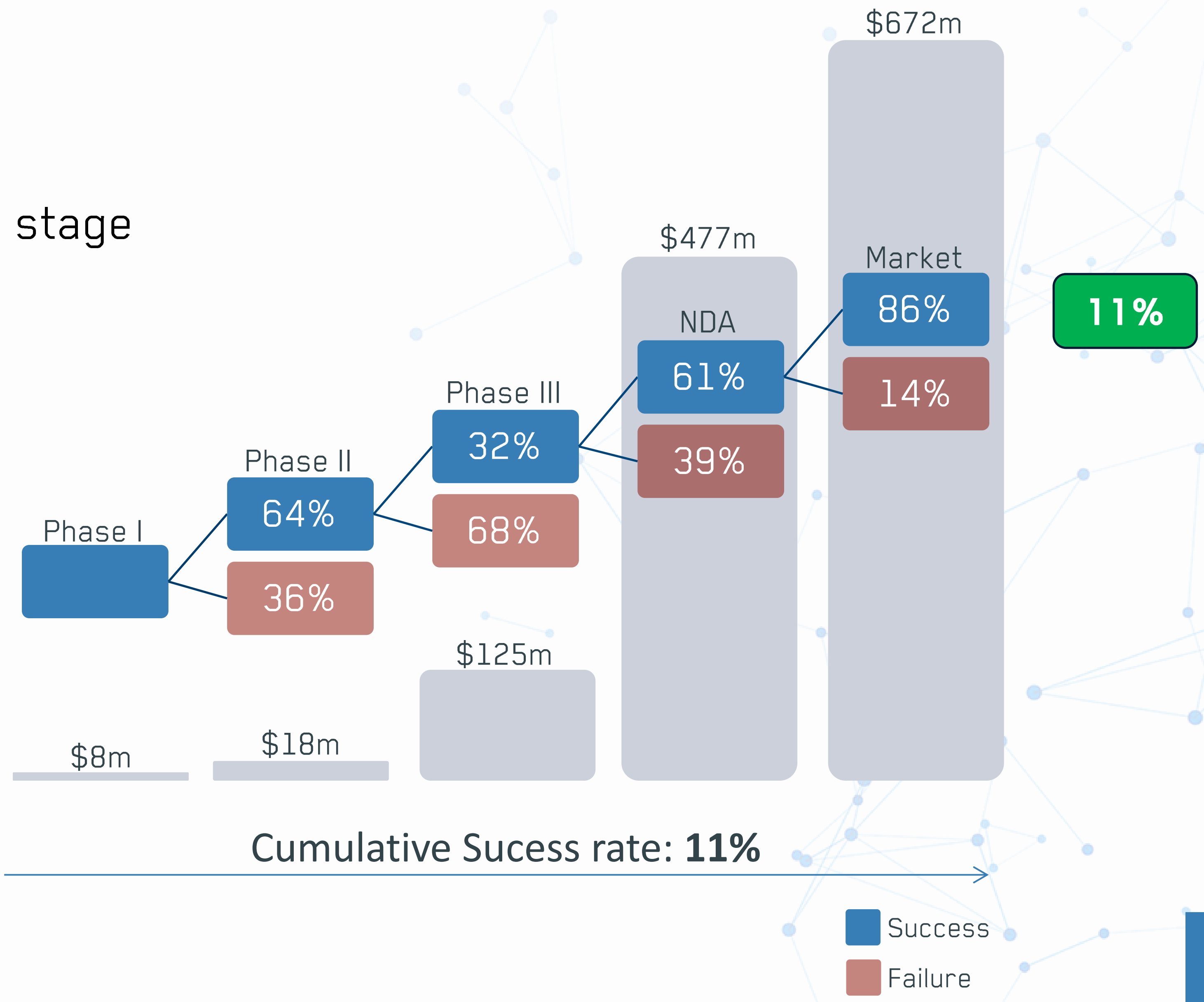
Combination of different methods

Risk adjusted Net Present Value (rNPV)



Adjustment for risk

- rNPV → risk adjustment
- Probability to reach next clinical stage
- Value today / future
- Licensing deal terms



Overview

- Industry trends
- Valuation approaches
- **Licensing Deals**
- Conclusion

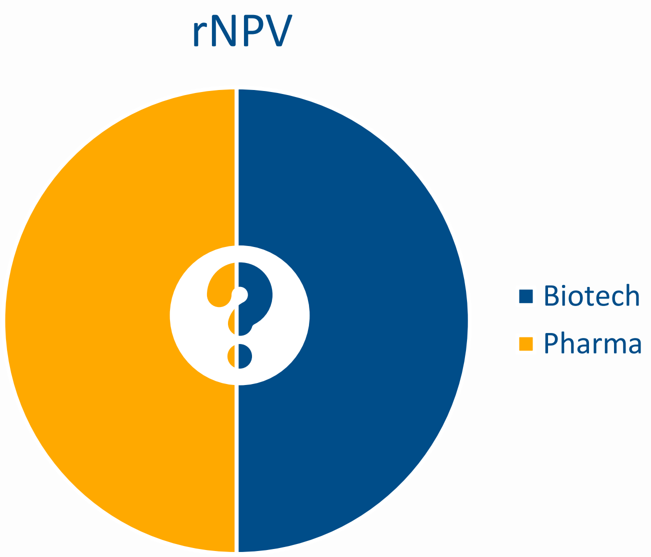
Licensing Deal terms

- Front/ back-loading a deal can heavily influence deal structure
- Deal terms dependent on needs of both parties

In USD m	Payment of	rNPV* (or up-front)
Up-front	1 m	1 m
Finish Pre-clinical	1 m	0.44 m
Finish Phase I	1 m	70’000
Finish Phase II	1 m	17’000
Finish Phase III	1 m	8’000
Approval / Enter market	1 m	5’000
Royalties	1%	0.70 m

* Time value of money and Risk adjusted

Structuring the deal



AIM: to develop a (fair) deal structure

- Understand the product value
- The licensee (Pharma) is compensated for taking on risk
- The licensor (Biotech) receives payments and shares some of the risk and rewards
- Deal value split: Biotech - Pharma
  - 20% - 80%
  - 50% - 50%

Deal value split depends on supply / demand

- Different assumptions (cost, time, market, risk)
- Different cost of capital

Deal Value examples

Scynexis Inc. (USA) out-licensed Brexafemme (*infectious disease* - Candidiasis) phase III to **GSK plc** (UK) in 2023

=> Deal value: USD 593m

- Up-front: USD 90m
- Regulatory & Commercial milestones: USD 260m & USD 243m
- Royalties: ~ 5%-15%

ABL Bio (Korea) out-licensed ABL301 (Parkinson) pre-clinical to **Sanofi** (France) in 2022

=> Deal value: USD 1'060m

- Up-front: USD 75m
- Near-term regulatory milestones: USD 45m
- Other regulatory and commercial sales milestones: USD 940m
- Royalties: yes

Deal Value examples

In USD	Scynexis Inc. (USA) GSK plc (UK)		ABL Bio (Korea) Sanofi (France)		
Deal Value**	**593m**	**Phase III (PoS)**	**1’060m**		**Pre-clinical (PoS)**
Up-front	90m	100%	75m		100%
Early regulatory milestones (finish ph I)*			45m		29%
Later regulatory milestones (finish ph III)*	260m	64%	940m	300m*	8%
Commercial milestones (first sales)*	234m	59%		640m*	4%
rNPV (risk adjusted & discounted)	**226m**		**82m**		

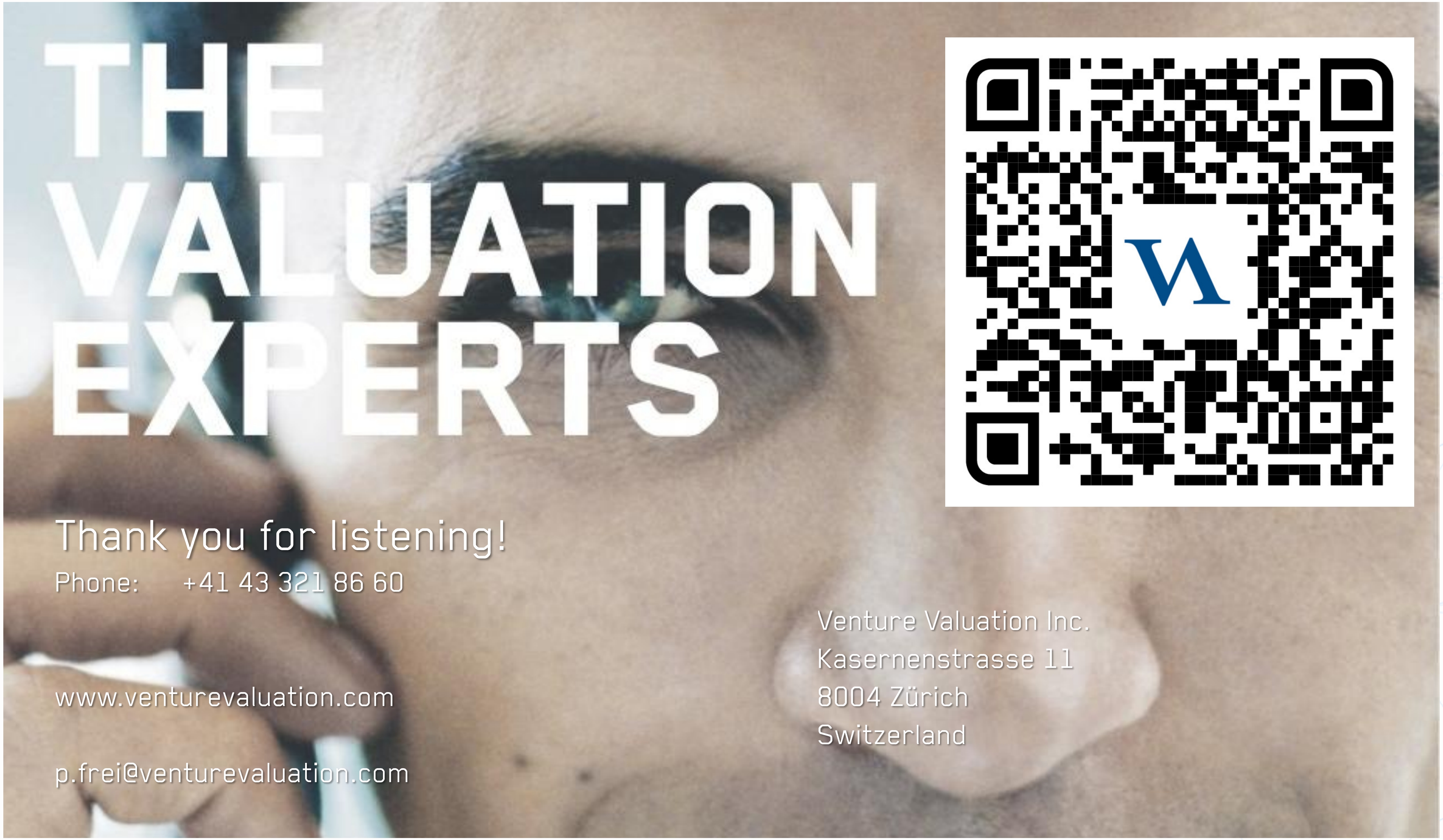
* Venture Valuation simplified assumptions; ** Royalties not included

Overview

- Industry trends
- Valuation approaches
- Licensing Deals
- **Conclusion**

Conclusion

- Understand the fundamentals
- Valuation for licensing but also for strategy & fundraising
- Valuation is all about the assumptions
- Price vs. Value
- Innovative deal-terms for win/win



THE VALUATION EXPERTS

Thank you for listening!

Phone: +41 43 321 86 60

www.venturevaluation.com

p.frei@venturevaluation.com

Venture Valuation Inc.
Kasernenstrasse 11
8004 Zürich
Switzerland