



IP PRAGMATICS

Valuation of therapeutics in clinical development

Background:

An independent investment and financial advisory company required independent valuations of three potential investment opportunities. The investments involved the purchase of intellectual property relating to therapeutic products in clinical development. The company approached IP Pragmatics due to our prior experience in this area.

Objectives:

The company wanted detailed commercial valuations of the therapeutics that would guide their decision making process. There was a requirement for the valuations to be at 'arms-length' to satisfy their investors.

Approach:

The valuations were carried out on a tight timetable as there was a time constraint associated with the when the investments could be made. After an initial analysis of the information supplied IP Pragmatics drafted a series of questions for discussion with the companies developing the therapeutics. These discussions allowed IP Pragmatics to gain deeper insight into the products and enabled an informed assessment of the commercial value of the products.

Methodology

The valuations were carried out using rNPV analysis as well as a review of comparable deals.

Result:

Reports were produced detailing:

- An overview of the disease area
- The current market
- The predicted future market
- Competing products
- rNPV Valuations
- Comparable deals

These reports enable the company to make a decision about whether to go ahead with their investments or not. The decision was made to invest in one of the opportunities.