BIND Therapeutics, Inc. (BIND)

Initiating Coverage of BIND Therapeutics at Market Outperform and $30 Price Target

MARKET DATA

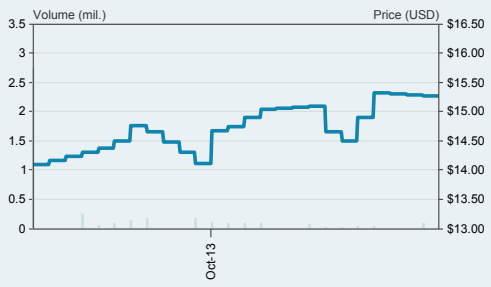
Price	$15.27
52-Week Range:	$13.99 - $15.38
Shares Out. (M):	15.8
Market Cap ($M):	$241.0
Average Daily Vol. (000):	96.0
Cash (M):	$88
Cash/Share:	$5.46
Enterprise Value (M):	$329
Float (M):	13.1
LT Debt (M):	$5

Source: Thomson Reuters and JMP Securities LLC

FY DEC		2012A	2013E	2014E
Revenue ($M)	1Q	--	$0.0	$0.0
	2Q	--	$0.0	$0.0
	3Q	--	$0.0	$0.0
	4Q	--	$0.0	$0.0
	FY	**$1.0**	**$0.0**	**$16.0**
EPS	1Q	--	($0.23)	($0.72)
	2Q	--	($0.54)	($0.76)
	3Q	--	($0.76)	($0.81)
	4Q	--	($0.68)	($0.80)
	FY	**($1.98)**	**($2.09)**	**($2.89)**
	P/E	NM	NM	NM

Source: Company reports and JMP Securities LLC

STOCK PRICE PERFORMANCE



MARKET OUTPERFORM | Price: $15.27 | Target Price: $30.00

INVESTMENT HIGHLIGHTS

Initiating coverage of BIND Therapeutics with a Market Outperform rating and year-end 2014 price target of $30, based on the synthesis of our DCF, standardized CAGR, and comparable company valuation methodologies. BIND Therapeutics is a development-stage, oncology-focused, drug development company that is leveraging its nanomedicine platform to improve the therapeutic profile of established oncology drugs. In our view, BIND's combination of a unique and proprietary technology platform, along with a seasoned and successful management team, is a recipe for significant value creation. The company's leading oncology asset, BIND-014, is BIND's Accurin-enabled version of the blockbuster oncology drug, docetaxel (Taxotere) which, prior to patent expiration in 2010, sold $3.1 billion worldwide for Sanofi (SNY, NC). BIND recently raised $70.5MM in an IPO to fund the program through to the start of Phase III development.

Accurin technology platform ensures precision delivery of tumor-toxic payload. BIND's Accurin platform, an outgrowth of the prolific laboratory of MIT's Dr. Robert Langer, along with work conducted at Harvard by Dr. Omid Farokhzad, is an elegantly simple complex of components that provide an unparalleled combination of desired features, such as targeted delivery, and a preferential tumor with lower non-specific uptake of a cytotoxic payload. While this combination might seem unattainable without huge leaps in technology, in fact, the typical Accurin therapeutic candidate uses straightforward, FDA-validated components alongside tumor-targeting ligands (such as proteins, peptides, antibodies, etc.) for either the company's own development or for its current and future partners. A further advantage of the approach is the relatively rapid 505(b)2 registration path.

A lot more of the good, less of the bad; BIND-014 harnesses the Accurin platform to create a better docetaxel. BIND is currently undertaking Phase II clinical development of BIND-014 in two well-established, docetaxel-responsive tumor types: prostate and non-small cell lung cancer (NSCLC). The "secret sauce" for BIND-014 (apart from the trade secrets utilized in its creation) is in its use of a ligand that targets prostate-specific membrane antigen (PSMA), which is ubiquitously expressed on prostate cancer cells as well as on blood vessels that feed tumors. Data showing compelling signs of activity for BIND-014 were presented at ASCO 2013.

Value-driving partnerships, because Big Pharma/Big Biotech companies can perform the kind of due diligence that most of us cannot. In 2013, BIND established a trifecta of partnerships with major biopharmaceutical companies, including Amgen (AMGN, NC), Johnson & Johnson (JNJ, NC) and AstraZeneca (AZN, NC). The aspects of each of these programs are roughly similar - $4-$5MM in upfront fees, milestones ranging from $110MM on the low end and as high as ~$200MM, followed by single-

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digit royalties on sales of the partner's molecule. The upfront payments from these partnership agreements and the downstream milestones will continue to provide an important source of non-dilutive funds.

Management that has done it before - a good omen for biotech investors. Scott Minick, BIND's President and CEO, was President and CEO of Sequus Pharmaceuticals, which developed the liposomal version of doxorubicin known as Doxil, now owned by JNJ (FY11 sales were $402MM before manufacturing problems arose at JNJ's supplier). Andrew Hirsch, BIND's CFO, was CFO of privately-held Avila Therapeutics, which was acquired by Celgene (CELG, MO, $160 PT) in 2012. Greg Berk, M.D., Chief Medical Officer, was formerly with privately-held Intellikine, acquired by Takeda/Millennium (JSE:12345) in 2012. Previously, Dr. Berk was with Abraxis BioScience, where he was Senior Vice President of Global Clinical Development. Recall that Abraxis developed Abraxane, a nanoparticle formulation of paclitaxel (Taxol). Abraxis was acquired by Celgene in 2010 for $2.9 billion. Finally, several members of the BIND "bench" spent time in the laboratory of Dr. Langer and/or at Alkermes (ALKS, NC), another highly successful member of the Langer portfolio of companies.

Establishing a YE2014 price target of $30 per share. BIND shares have largely maintained levels since IPO pricing at $15 on September 20th, albeit with light trading volumes (~103,000 average daily shares traded since the IPO). We expect both share price and volume to pick-up significantly in the next 3-6 months as we look toward Phase I dose and schedule updates with BIND-014 and the announcement of new proprietary and partnership drug candidates, and further still in the lead up to Phase II readouts of BIND-014 in NSCLC and CRPC toward the latter half of 2014. Based on the synthesis of valuation estimates from our various methodologies (DCF: $28.78, CAGR: $38.13, and Comps: $29.90), we assign a year-end 2014 price target of $30 per share.

INVESTMENT THESIS - BIND-ING TOGETHER TO CREATE BETTER CANCER MEDICINES

We are initiating coverage of BIND Therapeutics with a Market Outperform rating and a $30 price target. BIND is taking a "tried, but not always true" approach to the development of cancer medicines; that is, taking a highly active, but somehow flawed (usually due to toxicity, PK/PD parameters, or both) anti-cancer drug and improving its properties so that its activities are limited to killing cancer cells while sparing healthy ones. Perhaps the best-known recent example of this approach is that of Abraxane, the nanoparticle, albumin-bound incarnation of paclitaxel (Taxol) for the treatment of breast, lung, and pancreatic cancer. Celgene acquired Abraxis BioScience in 2010 for approximately $2.9 billion plus contingent value rights when Abraxane was generating roughly $350MM in sales and was indicated for use strictly in breast cancer. We estimate that Abraxane will generate nearly $650MM in sales for Celgene during FY13. In the last 24 months, Celgene has added indications for both NSCLC and pancreatic cancer to the Abraxane label, and could potentially add metastatic melanoma to the list of indications sometime during 2014. We expect sales of Abraxane to eclipse the $1 billion in revenue mark sometime between FY14 and FY15. A similar approach is being taken by Nektar (NKTR, NC), a company sporting a market cap in excess of $1 billion.

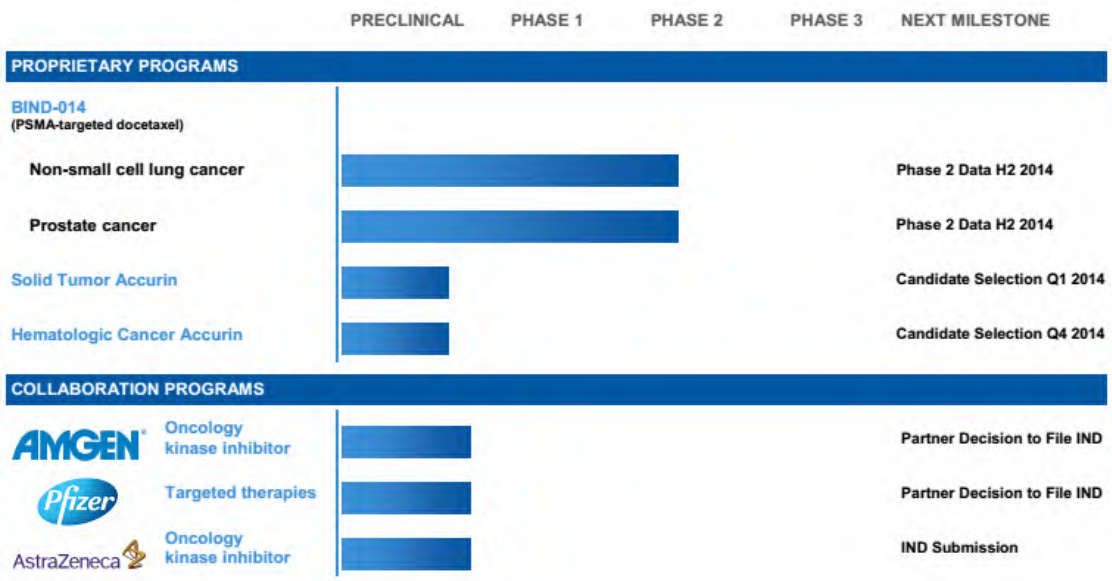
If four or more indications and $1 billion in sales are reasonable for a first-generation compound (essentially a suspension of paclitaxel along with albumin), imagine what a rationally-designed, next-generation product candidate might do if it were to deliver on the promise embodied in the technology? That is exactly what we believe BIND will deliver with its docetaxel nanomedicine, BIND-014.

Our confidence in the product is bolstered both by the encouraging clinical data presented at ASCO 2013 (which included objective solid tumor responses and a well-tolerated safety profile) as well as by the experience and track record of accomplishment by the various members of the scientific founders and the current management team. Since the area of improved delivery is not a new one to oncology drug development, it takes an experienced management team, in our view, to navigate the scientific, clinical, regulatory and commercial waters for the product candidate to become successful. In that regard, we are greatly comforted by both the scientific pedigree and management track record that undergirds BIND Therapeutics.

We also point to the breadth of use of docetaxel (brand name Taxotere) and its generic competitors. Before patent expiration in 2010, Taxotere generated $3.1 billion in worldwide revenue for Sanofi. Formal approvals were granted for breast, lung, gastric, head and neck, and prostate cancer based on improvements in overall survival. While docetaxel is highly active, it also carries with it some well-described side effects, such as hair loss (alopecia), sensory neuropathy, along with an array of hematologic adverse events such as neutropenia, anemia, and thrombocytopenia. The task BIND-014 is charged with is preserving or improving upon the activity of docetaxel while simultaneously lowering the side effect profile. In our view, the Accurin technology should allow BIND-014 to achieve both goals given the technology’s ability to “dial in” a variety of physical and chemical properties that will optimize the balance between clinical benefit and safety and tolerability. The Accurin technology was created with the specific intent to enable the design of therapeutics that will deliver their payload with a high degree of precision, that is, to the exact tumor tissue under the exact conditions. Furthermore, BIND-014 and the Accurin platform is backed by a patent portfolio covering matter, methods of composition and methods of use in specific cancer indications that enjoys life into 2030.

In terms of the bona fides of the BIND management team, there are three senior officers of the company (President and CEO Scott Minick, CFO Andrew Hirsch, and Chief Medical Officer Greg Berk M.D.) who have participated in many aspects of the growth, development, and eventual sale of companies that created oncology therapeutics with differentiated therapeutic profiles. We therefore believe, for reasons both objective and subjective, that the odds of success for BIND Therapeutics are exceptionally high.

FIGURE 1. BIND Development Pipeline



Source: JMP Securities LLC and Company Reports

FIGURE 2. Upcoming Milestones

Timing	Milestones
4Q13/1Q14	BIND-014 Phase I update of weekly dosing regimen
1H14	Announcement of second proprietary pipeline candidate
2014	Announcement of third proprietary pipeline candidate
2014	IND filing from partnership program(s)
2H14	Data readout from BIND-014 Phase II NSCLC study
2H14	Data readout from BIND-014 Phase II mCRPC study

Source: JMP Securities LLC and Company reports

VALUATION

We derive our year-end 2014 price target of $30 based on the synthesis of discounted cash flow (DCF) analysis, our standardized CAGR methodology, and relative valuation against a set of comparable stage biotechnology platform companies (Figure 3).

FIGURE 3. YE14 Price Target Synthesis

Synthesis of Valuation Approaches	
Approach	Valuation
DCF Analysis	$28.78
CAGR	38.13
Comparables	29.90
Price Target	**$30.00**

Source: JMP Securities LLC and Company Reports

Our DCF valuation model projects BIND-014 sales from the treatment of non-small cell lung cancer and metastatic prostate cancer, partnership related milestones and royalty income, while subtracting cost of goods sold, projected operating expenses and tax. In discounting net cash flows to year-end 2014, we have applied a risk-adjusted discount rate of 30%. Although 30% is on the lower end of the discount rate spectrum for a Phase I completed asset, we believe its application is warranted in the case of BIND-014 for several reasons: the mechanism of action and side effect profile for docetaxel are well defined, as are the appropriate development indications and regulatory hurdles. We believe these factors offset much of the risk burden typically ascribed to similarly staged oncology assets.

The predominant risk, in our view, is that of BIND-014's commercial potential, should it prove clinically successful, which will largely be dictated by the strength of its Phase III efficacy/safety profile. While this will not become fully apparent until sometime during 2H14, we derive some confidence BIND-014's potential for market acceptance from the rapid uptake of Abraxane ($325MM in sales by its third year on the market) on the heels of objective response improvement and a moderately better tolerability profile compared to Taxol. A terminal value for the company, calculated by applying a 2% long-term growth rate, was similarly discounted to a present day valuation. Present value of free cash flow, together with terminal value, were added to arrive at a residual value for the company. Finally, estimated cash and long-term debt were added and subtracted, respectively, to arrive at an equity valuation of $503MM. Divided by our estimated 2014 year-end outstanding share count, we derive a per share valuation of $28.78. Our DCF assumptions are detailed further in Figure 4.

FIGURE 4. Discounted Cash Flow Analysis

Discounted Cash Flow Model	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
BIND-014 Revenue													
NSCLC, US	-	-	-	-	95.5	120.5	209.0	325.1	493.5	758.2	975.5	1,148.1	1,249.5
CRPC, US	-	-	-	-	-	47.6	132.1	258.0	457.4	615.8	773.2	857.8	946.8
Ex-US Royalties	-	-	-	-	-	6.8	28.4	53.8	87.8	144.7	203.0	258.9	299.3
Collaboration Revenue	-	16.0	70.5	29.0	55.0	20.0	51.5	72.0	32.5	17.5	-	-	100.0
Total Revenues	**$ -**	**$ 16.0**	**$ 70.5**	**$ 29.0**	**$ 150.5**	**$ 194.8**	**$ 421.0**	**$ 708.8**	**$ 1,071.1**	**$ 1,536.2**	**$ 1,951.7**	**$ 2,264.8**	**$ 2,595.6**
Cost of product sales					9.5	16.8	34.1	58.3	95.1	137.4	174.9	200.6	219.6
COGS as % of revenue					*10%*	*10%*	*10%*	*10%*	*10%*	*10%*	*10%*	*10%*	*10%*
Gross Profit	0.0	16.0	70.5	29.0	140.9	178.0	386.9	650.5	976.0	1,398.8	1,776.8	2,064.2	2,376.0
R&D expense	24.8	31.3	54.8	95.9	139.0	164.0	188.6	211.2	228.1	246.4	266.1	287.4	310.4
R&D as a % of revenue		*196%*	*78%*	*331%*	*92%*	*84%*	*45%*	*30%*	*21%*	*16%*	*14%*	*13%*	*12%*
SG&A expense	12.1	19.0	24.7	37.1	64.8	97.3	136.2	163.4	187.9	210.4	227.3	245.5	265.1
SG&A as a % of revenue		*119%*	*35%*	*128%*	*43%*	*50%*	*32%*	*23%*	*18%*	*14%*	*12%*	*11%*	*10%*
Total operating expenses	36.9	50.3	79.5	132.9	203.8	261.3	324.8	374.6	416.0	456.8	493.4	532.9	575.5
% Margin		*314%*	*113%*	*458%*	*135%*	*134%*	*77%*	*53%*	*39%*	*30%*	*25%*	*24%*	*22%*
Operating income (EBIT)	**(36.9)**	**(34.3)**	**(9.0)**	**(103.9)**	**(62.9)**	**(83.2)**	**62.1**	**275.9**	**559.9**	**942.0**	**1,283.4**	**1,531.4**	**1,800.5**
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	9.3	55.2	140.0	282.6	449.2	536.0	630.2
Tax rate		*0%*	*0%*	*0%*	*0%*	*0%*	*15%*	*20%*	*25%*	*30%*	*35%*	*35%*	*35%*
After tax operating income	(36.9)	(34.3)	(9.0)	(103.9)	(62.9)	(83.2)	52.8	220.7	420.0	659.4	834.2	995.4	1,170.3
Discount year		0.25	1.25	2.25	3.25	4.25	5.25	6.25	7.25	8.25	9.25	10.25	11.25
Discount factor	1.0	1.1	1.4	1.8	2.3	3.0	4.0	5.2	6.7	8.7	11.3	14.7	19.1
PV	(36.9)	(32.1)	(6.5)	(57.6)	(26.8)	(27.3)	13.3	42.8	62.7	75.7	73.7	67.6	61.2
Residual value of cash flow	$428										**Terminal Value**		218.4
+Cash and Cash equivalents	79												
Company value	507												
-Long-term debt on 12/31/13	4												
Value of equity	$503												
Fully diluted shares outstanding on 12/31/14	17.47												
Price/share	$28.78												
Discount Rate	30.0%												
Terminal growth rate	2%												

Source: JMP Securities LLC and Company reports

We also arrived at a valuation based on our standardized CAGR methodology. We begin by calculating the profitable biotech PEG ratio (0.73), based on the mean 2014 P/E (19.4) and a mean forward CAGR of 26.6%. Based on a projected EPS for 2020 and a discount rate of 30%, we arrived at a valuation of $ 38.13 per share. Our assumptions are detailed in Figure 5.

FIGURE 5. CAGR Valuation Model and Sensitivity Analysis

CAGR Valuation	
Comparables	
Biotech Group P/E (2013)	19.4
Biotech Group Forward CAGR ('13- '15)	26.6%
Valued Company	
Year used for discounting	2020
Price Target Year	2014
5-year EPS CAGR	36.4%
EPS in the discounting year	$ 6.96
Discount Rate	30.0%
# Years for Discounting	6
Target Price	**$38.13**

Sensitivity Analysis					
	Discount Rate				
CAGR	27.0%	28.5%	30.0%	31.5%	33.0%
21.4%	**$25.77**	**$24.02**	**$22.40**	**$20.91**	**$19.54**
26.4%	**$31.80**	**$29.64**	**$27.65**	**$25.81**	**$24.11**
31.4%	**$37.83**	**$35.26**	**$32.89**	**$30.70**	**$28.68**
36.4%	**$43.86**	**$40.88**	**$38.13**	**$35.59**	**$33.25**
41.4%	**$49.89**	**$46.50**	**$43.37**	**$40.48**	**$37.82**
46.4%	**$55.92**	**$52.11**	**$48.61**	**$45.38**	**$42.39**
51.4%	**$61.95**	**$57.73**	**$53.85**	**$50.27**	**$46.96**

Source: JMP Securities LLC and Company Reports

Finally, by taking the mean market cap valuation from a peer group of platform biotechnology companies, we derive a comparable valuation for BIND of $29.90 (Figure 6).

FIGURE 6. Comparable Company Valuation

Comparable	Ticker	Price	Market Cap	Cash	Debt	EV
Array Biopharma Inc	ARRY	$5.53	$648	$61	$99	$686
Cell Therapeutics Inc	CTIC	$1.91	$219	$50	$5	$173
Curis Incorporated	CRIS	$4.29	$350	$13	$30	$368
Endocyte Inc	ECYT	$10.50	$379	$34	$0	$345
Exelixis	EXEL	$5.29	$975	$170	$323	$1,127
Immunomedics Incorporated	IMMU	$5.41	$449	$41	$0	$407
Infinity Pharmaceuticals Inc	INFI	$13.82	$663	$176	$0	$487
Merrimack Pharmaceuticals Inc	MACK	$3.61	$369	$38	$37	$369
Nektar Therapeutics	NKTR	$9.76	$1,130	$25	$137	$1,241
Oncogenex Pharmaceutical Inc	OGXI	$8.90	$131	$16	$4	$119
Spectrum Pharmaceuticals Inc	SPPI	$8.64	$547	$140	$75	$482
Sunesis Pharmaceuticals Inc	SNSS	$4.84	$250	$15	$18	$253
Synta Pharmaceuticals Corp	SNTA	$6.45	$445	$82	$4	$368
Threshold Pharmaceuticals Inc	THLD	$4.72	$274	$11	$0	$263
Ziopharm Oncology Inc	ZIOP	$4.50	$376	$73	$0	$303
Average			$480			$466
BIND Therapeutics Inc	BIND	$15.31	$246	$5	$2	$243

Comparable Valuation	$29.90

Source: JMP Securities LLC and Company reports

INVESTMENT RISKS

Clinical. Drug development is an inherently risky business. Like all clinical trials, BIND-014 clinical development carries some risk of failure. BIND-014 may fail to demonstrate meaningful enough efficacy to warrant further development through large Phase III trials or regulatory approval.

Regulatory and commercial. The ability of BIND or its partners to market its drugs depends on those drugs obtaining approval from the FDA and foreign regulatory agencies. Failure to achieve approval or delays in the timelines to approval could negatively impact the company's share price.

Competitive. Oncology drug development is an increasingly competitive field and BIND faces considerable competition from companies with development-stage drug candidates, utilizing similar delivery formulation technology, as well as from companies with marketed products seeking to expand the number indications approved for use. Some of these companies may possess greater R&D and commercial resources than BIND or its partners.

Partnership. BIND has formed development partnerships with Pfizer, Amgen, and AstraZeneca and is dependent on these partnerships for non-dilutive sources of capital. Changes to these partnership arrangements could have a substantial negative impact to the company's share price.

Financial. Following the IPO, we estimate that BIND will end 4Q13 with approximately $80.6MM in cash and cash equivalents – adequate resources to fund operations into 2015, according to company guidance. We anticipate that BIND will seek additional equity financing in the form of a secondary offering in order to complete the development of BIND-014 and other drug candidates, exposing existing shareholders to some degree of dilution risk.

COMPANY OVERVIEW

BIND Therapeutics is a Cambridge, MA based, clinical-stage, nanomedicine biopharmaceutical company developing novel, targeted therapeutics based around its Accurin nanoparticle delivery platform technology. Founded in 2007, BIND's focus has been on leveraging its nanoparticle engineering capabilities to develop Accurin-based therapeutics, possessing the physical and chemical characteristics to house and deliver a therapeutic payload to specific tissues in a concentrated fashion while minimizing the adverse effects to healthy tissues. The company's lead drug candidate BIND-014 is an Accurin-based version of docetaxel, currently in Phase II development for the treatment of recurrent non-small lung cancer (NSCLC) and metastatic castrate resistant prostate cancer (mCRPC). Additional development plans for BIND-014 in bladder cancer and other indications are forthcoming. Beyond BIND-014, the company has established key collaborations with Amgen, Pfizer, and Astra-Zeneca to couple developing product candidates with Accurin delivery technology, with the potential to deliver upfront and future milestone payments in excess of $1 billion to the company.

BIND-014 - BETTER DELIVERY AND POTENTIAL OUTCOMES THROUGH ACCURIN ECAPSULATION

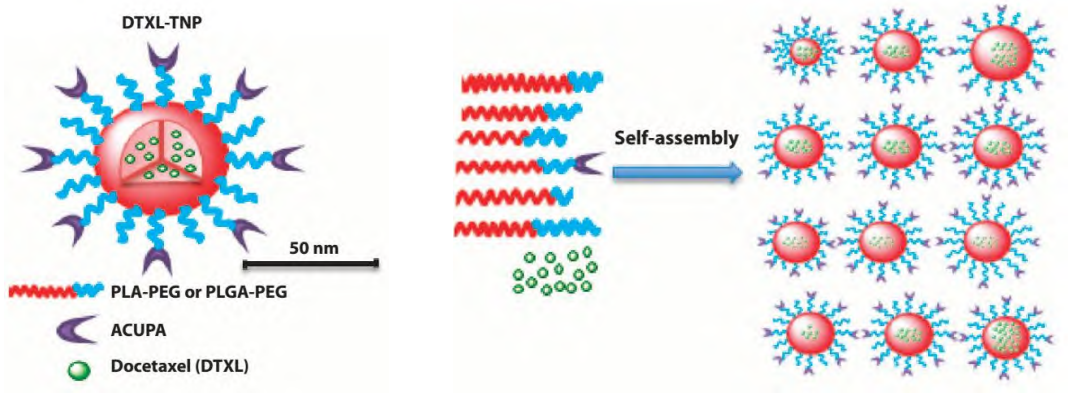
Admittedly, the value proposition behind BIND's business model is a basic one: building a better mouse trap and getting it to market. In this instance, the trap is represented by widely-used, conventional chemotherapy, and the broad array of solid tumor indications where chemotherapy comprises the standard of care. Where BIND adds value is in leveraging its unique, proprietary formulation, nanoparticle encapsulation/formulation technology to meet head-on the preeminent challenge to standard cytotoxic chemotherapy for decades: how to maximize exposure of cancerous tissue to the cytotoxic agent while minimizing its impact to the normal tissue and the overall health of the patient. Whereas other novel formulations of other chemotherapy products (e.g., Doxil, Abraxane) have been directed at improving drug solubility and stability, BIND's Accurin encapsulation technology is aimed at targeting the chemotherapy to particular tissues based on specific antigen expression, while at the same time increasing the drug's half-life at the site of the tumor.

Although the company's first foray into clinical development is with an Accurin formulation of docetaxel (Taxotere, Sanofi; SNY, NC), the delivery technology is adaptable to almost any small molecule active pharmaceutical ingredient (API), be it a cytotoxic chemotherapy or targeted kinase inhibitor. As we detail further below, the docetaxel target market represents a compelling and appreciably lucrative commercial opportunity. Our estimates suggest BIND-014 could draw upwards of ~$1 billion in sales in the U.S. by 2020 ($1.6 billion worldwide).

Overview of the Accurin Technology Platform

Residing at the core of BIND's approach to improved drug delivery is its Accurin target nanoparticle (TNP) delivery technology. These nanoparticles are primarily composed of a bi-philic polymer of polylactic or poly(lactic-co-glycolic) acid (PLA or PLGA) linked polyethylene glycol (PEG). The polymer assembles into a spheroid particle with a PL(G)A hydrophobic core, capable of encapsulating a small molecule therapeutic payload, surrounded by a hydrophilic PEG shell. The outer PEG layer is further modified with the addition of a ligand targeting a small molecule to facilitate tissue-specific delivery (Figure 7). Each of the formulation components can be modulated to optimize physiochemical and pharmacokinetic parameters of the nanoparticle including size, solvation of the active pharmacologic ingredient (API), tissue of interest, and the desired rate of release into the surrounding tissue. Importantly, the whole formulation is scalable and can be modified to produce anywhere from gram to kilogram quantities of the targeted nanoparticle.

FIGURE 7. Overview of Accurin Composition and Assembly

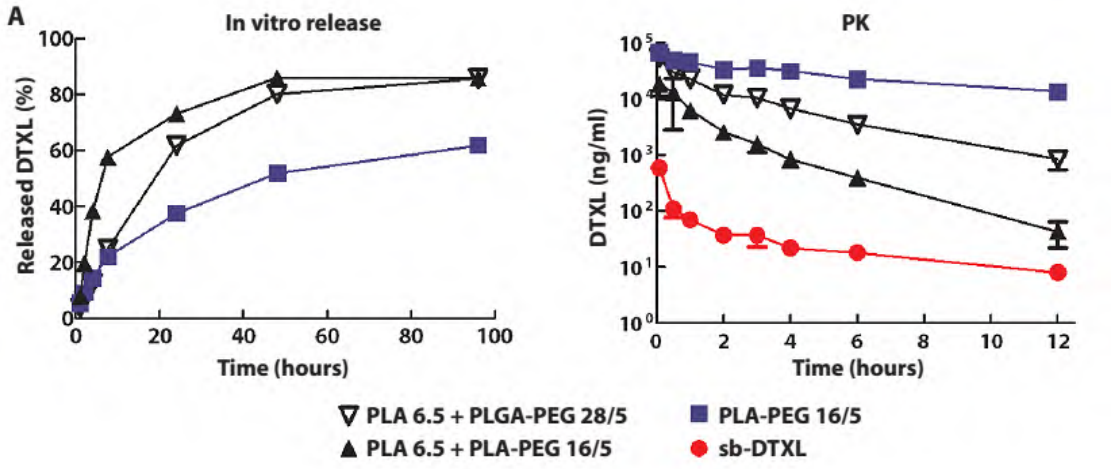


Source: Hrkach et al, Sci Transl Med, 2012

Pre-clinical Work with BIND-014

Early pre-clinical work evaluating the pharmacokinetics (PK) and biodistribution of targeted nanoparticle (TNP) encapsulated docetaxel (work that would eventually give rise to BIND-014) showed that a consistent steady release of docetaxel from the TNP could be achieved under physiological conditions (37°C). The rate of docetaxel release could be tuned by modifying the ratio of PL(G)A-PEG co-polymers used in the composition of the TNP. In vivo PK studies in rats showed that, relative to solvent-based docetaxel (sb-DTXL; essentially Taxotere), the distribution half-life of docetaxel could be increased >1000-fold when encapsulated within TNP (Figure 8; TNP-docetaxel (blue and black) versus free docetaxel (red)). Consistent with the PK data, in vivo biodistribution data showed that whole TNPs clear more slowly from plasma, which may be, in part, mediated by an ability to evade the mononuclear phagocyte system. Biodistribution data also showed lower levels of TNP accumulation in liver and bone marrow relative to concentrations in the plasma, and slightly higher levels of accumulation in the spleen.

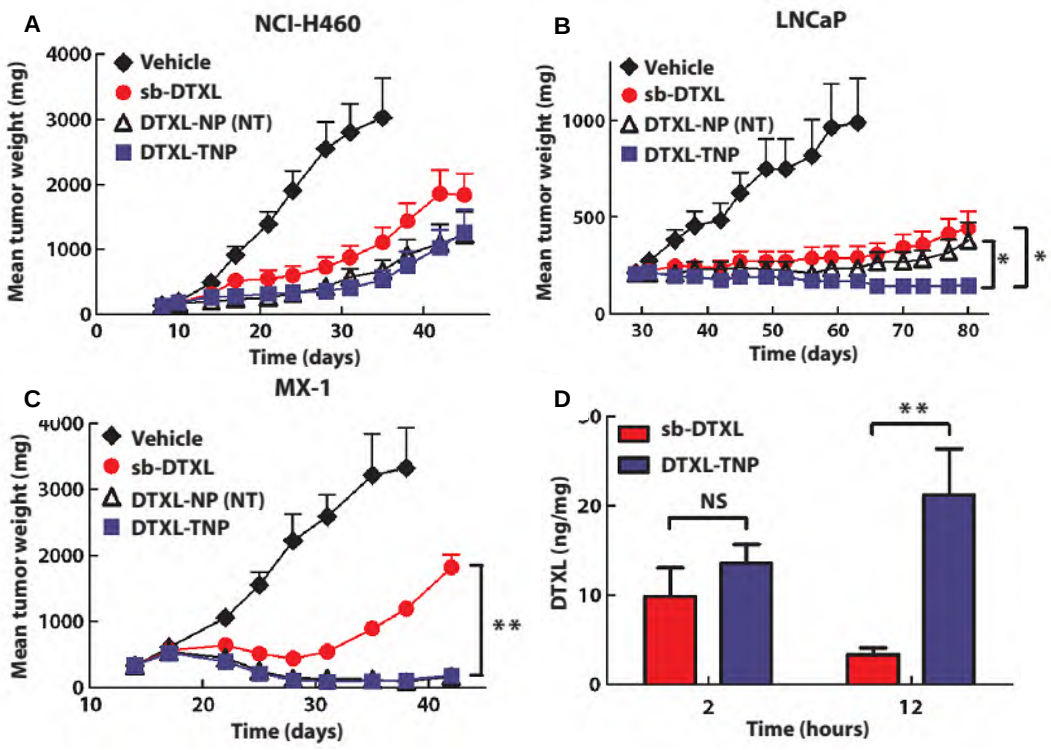
FIGURE 8. In Vitro Release and Animal Pharmacokinetics of TNP



Source: Hrkach et al, Sci Transl Med, 2012

Pre-clinical efficacy studies of BIND-014 were performed using mouse models bearing NSCLC (NCI-H4660), prostate cancer (LNCaP) or breast cancer (MX-1) xenografts (Figures 9, A-C, respectively). In each of these models, treatment with TNP docetaxel (BIND-014) achieved greater tumor growth inhibition than with equipotent doses of free docetaxel. Notably, an appreciable portion of the elevated, anti-tumor activity appears to be accomplished by prolonging the duration of drug circulation, in that similar levels of tumor growth inhibition were achieved in H4660 and MX-1 models whether or not a PSMA targeting molecule was incorporated. Indeed, tumors excised from animals two and twelve hours following treatment showed increasing docetaxel uptake when administered as a TNP, and declining intratumor concentration when administered as free formulation (Figure 9D).

FIGURE 9. Pre-clinical Anti-Tumor Activity with BIND-014



Source: JMP Securities LLC and Company reports

PSMA Targeting Enhances Tumor Uptake

Prostate-specific membrane antigen (PSMA), also known as glutamate carboxypeptidase II (GPCII), is a folate metabolizing enzyme normally expressed on the surface of various tissue types including prostate, kidney, small intestine and both the central and peripheral nervous systems. While PSMA is well known for its relationship to the development of prostate cancer (PSMA expression is upregulated >100 fold in prostate cancer cells relative to normal tissue), PSMA is also found to be over-expressed in the neovasculature of developing tumors relative to the normal vasculature across many tumor types, most notably breast, colon, kidney, and non-small cell lung cancer (Figure 10A).

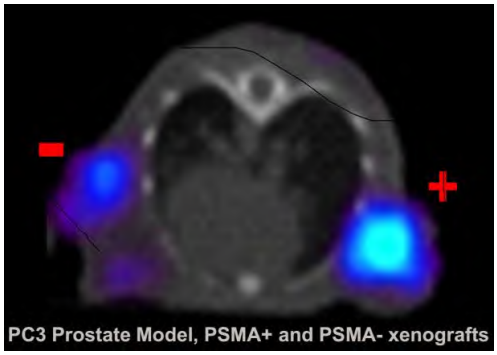
BIND, beginning with BIND-014, exploits this feature of solid tumors by incorporating a small molecule, PSMA-targeting ligand called ACUPA (S,S-2-[3-[5-amino-1-carboxypentyl]-ureido]-pentanedioic acid) in the composition of its nanoparticles. BIND-014's ability to target is evidenced by pre-clinical studies in xenograft mice showing a preferential uptake of BIND-014 in PC3 prostate cancer tumors engineered to over-express PSMA (right side, Figure 10B).

FIGURE 10. PSMA is Expressed Across Solid Tumor Cells and Neovasculature; Aids Uptake of BIND-014

A

Tumor	Number of patients	
	Tumor Cells	Neovasculature
Prostate[1,2]	184/184 (100%)	2/12 (17%)
Breast[3]	0/6	5/6 (83%)
Colorectal[4]	0/130	110/130 (85%)
Renal cell[5]	0/75	67/75 (89%)
Bladder[6]	8/167 (5%)	166/167 (99%)
Gastric[4]	0/119	79/119 (66%)
Neuroendocrine[1]	0/5	5/5 (100%)
Melanoma[1]	0/5	5/5 (100%)
Pancreatic Duct[1]	0/4	4/4 (100%)
NSCLC[1]	0/5	5/5 (100%)
Soft Tissue Sarcoma[1]	0/6	5/6 (83%)

B



Source: JMP Securities LLC and Company Reports

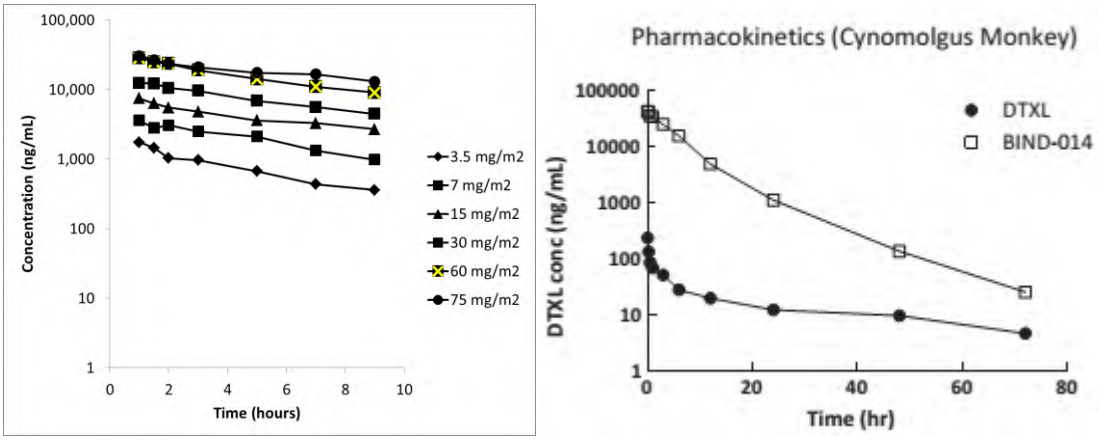
BIND-014 Phase I Clinical Data

Initial clinical testing of BIND-014 was conducted in a Phase I trial in patients with advanced or metastatic solid tumors. Evaluated, multiple, ascending doses of the drug were administered as a 60-minute, IV infusion according to two different schedules: Q3W (once every three weeks) or Q1W (once weekly for three weeks, followed by a one-week holiday, of a total four-week cycle). In the Q3W dosing portion (now complete), 28 patients with various solid tumors were treated across a dose range of 3.5 to 75 mg/m^2. Therein, BIND-014 exhibited a similarly slow decay PK profile in humans to the one observed in pre-clinical rodent and cynomolgus non-human primate models (Figure 11).

One complete response was observed in a patient with cervical cancer treated at 60mg/m^2 lasting 22 cycles, while partial responses were observed in three patients with non-small cell lung, biliary and prostate cancer treated with 60mg/m^2, lasting ten or eleven cycles. Stable disease lasting at least twelve weeks was observed in another five patients of various tumor types (see waterfall plot of tumor response in Figure 12).

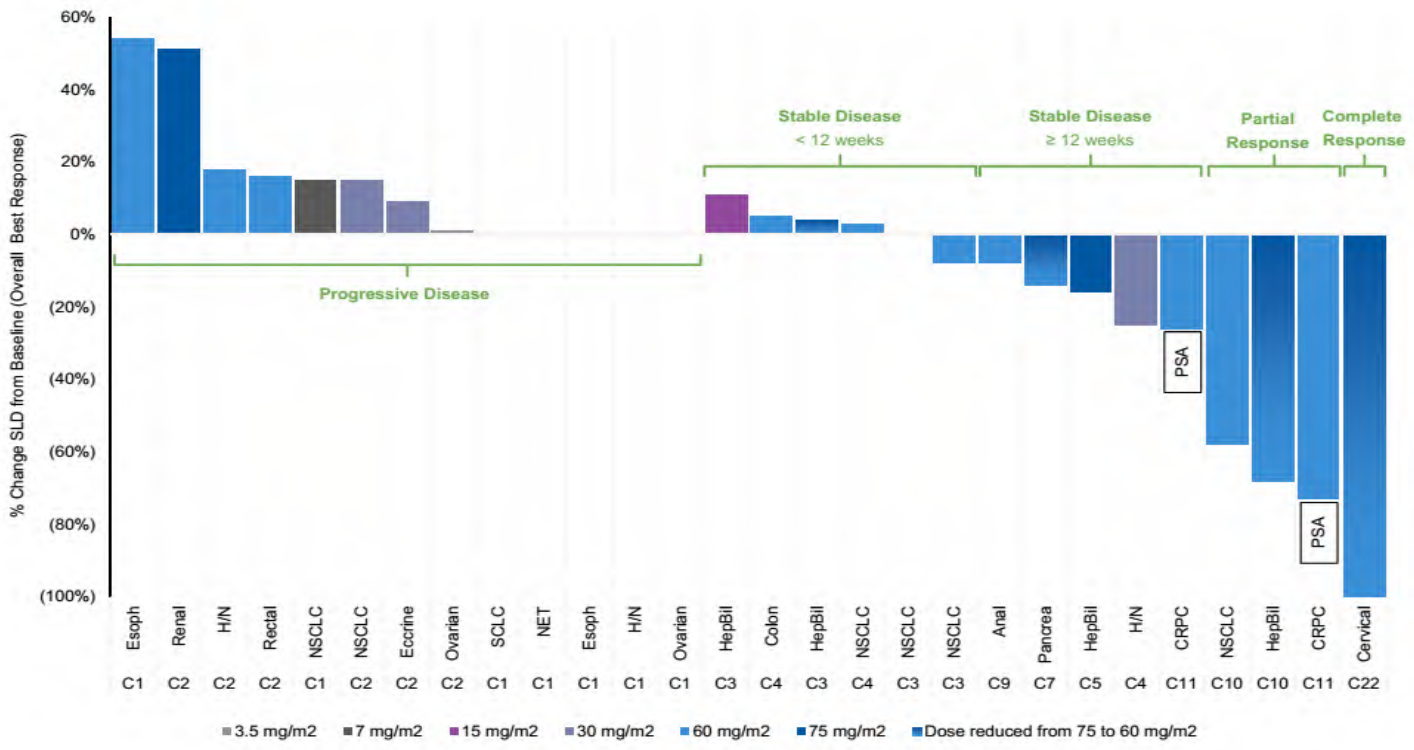
With respect to safety, overall BIND-014 was shown to be well tolerated with a manageable safety profile. A three cycle median duration of therapy was observed across all dosing cohorts as well as among those patients treated at ≥ 60mg/m^2. Dose limiting toxicities of Grade 3 fatigue and Grade 4 neutropenia were observed at 75mg/m^2, while adverse events of Grade ≥ 3 were observed at a rate of 50% across all dosing cohorts. The most common treatment-related adverse events included neutropenia, fatigue, diarrhea, anemia, and hair loss and infusion reactions (Figure 13). The nature and frequency of adverse events with BIND-014, thus far, have generally been in line with that of Taxotere. While the data rationally support the use of 60mg/m^2 Q3W as the Phase II recommended dose, we acknowledge that they do not yet suggest that BIND-014 enjoys a more favorable safety profile compared to Taxotere. With that in mind, the ongoing evaluation of BIND-014 administered on a once-weekly schedule offers an additional opportunity for differentiation from a safety perspective.

FIGURE 11. Plasma Docetaxel Levels in BIND Phase I PK Analysis



Source: JMP Securities LLC and Company reports

FIGURE 12. Waterfall Plot of Phase I Tumor Responses



Source: JMP Securities LLC and Company reports

FIGURE 13. BIND-014 Phase I Safety and Averse Events

Adverse Events, All Grades in ≥ 10% of Patients

AEs, n (%)	Q3W Patients N (% total pts)
Neutropenia	10 (36%)
Fatigue	7 (25%)
Diarrhea	6 (21%)
Anemia*	5 (18%)
Alopecia	4 (14%)
Infusion Related Reaction	4 (14%)
Dehydration	3 (11%)
Leukopenia	3 (11%)
Nausea	3 (11%)
Vomiting	3 (11%)

Adverse Events, Grade ≥ 3

AEs, n (%)	Total N = 28
Neutropenia	10 (36%) DLT
Leukopenia†	4 (14%)
Anemia*	2 (7%)
Edema of Lower Extremities	1 (4%)
Fatigue	1 (4%) DLT
Hypokalemia	1 (4%)
Sepsis	1 (4%)

Source: JMP Securities LLC and Company reports

Defining the Unmet Medical Need in NSCLC and CRPC

As previously mentioned, current clinical development of BIND-014 is focused on the docetaxel-sensitive indications of advanced non-small cell lung cancer (NSCLC) and metastatic castrate resistant prostate cancer (CRPC), with the aim of improving on the activity of Taxotere.

Lung cancer continues to be the leading the cause of cancer-related death in the U.S. According to SEER estimates, 228,000 new lung cancer diagnoses, accompanied by 160,000 related deaths, are recorded every year. Non-small cell lung cancer (NSCLC) is the most prevalent form of lung cancer, accounting for 85-90% of new cases. The majority of new cases (~60%) are diagnosed at advanced stages where the disease has metastasized beyond its lung origin. Standard front-line treatment for patients without genetically defined disease (EGFR, ALK or ROS mutation) is a course of platinum containing chemotherapy- typically carboplatin combined with either paclitaxel or pemetrexed (Alimta; LLY, NC). Unfortunately, the majority of these patients progress and go on to receive second-line chemotherapy with docetaxel.

Meanwhile, the impact of prostate cancer continues to loom large. It is estimated that prostate cancer accounts for ~30% of new cancer diagnoses, with ~242,000 new cases recorded in 2012 and 28,200 related deaths. While the introduction of novel hormonal therapies like abiraterone (Zytiga, JNJ, NC) and ezalutamide (Xtandi, MDVN, MO, Newman) have expanded the number of options for patients failing prior androgen deprivation therapy, docetaxel remains the standard of care for patients with symptomatic metastatic CRPC.

Having now served as the therapeutic backbone and/or comparator regimen for numerous clinical trials of developing therapies, the activity and side effect profile of Taxotere is very well characterized in each of these indications. In second-line NSCLC, Taxotere has consistently yielded objective response rates in the range of 5-10%, comprised mostly of partial response although several complete responses have been recorded. Median progression-free survival has been from 2.5 to four months, while median overall survival has ranged from eight to 10 months. Similarly, there has been minimal outcome variation across Phase III trials in mCRPC. Therein, PSA response rates have ranged from 40% to 65%, while median PFS has ranged from six to 11 months. Median OS in these trials has held steady at ~20 months.

From a safety perspective, the most problematic Taxotere-related side effects have been Grade ≥ 3 neutropenia (emerging at range from 20% to 65%), febrile neutropenia (5% to 10%), leukopenia (20% to 50%) and anemia (5% to 10%). In our view, the additional margin of safety and tolerability offered by Accurin technology could lead to increased duration of therapy and, potentially, better clinical outcomes.

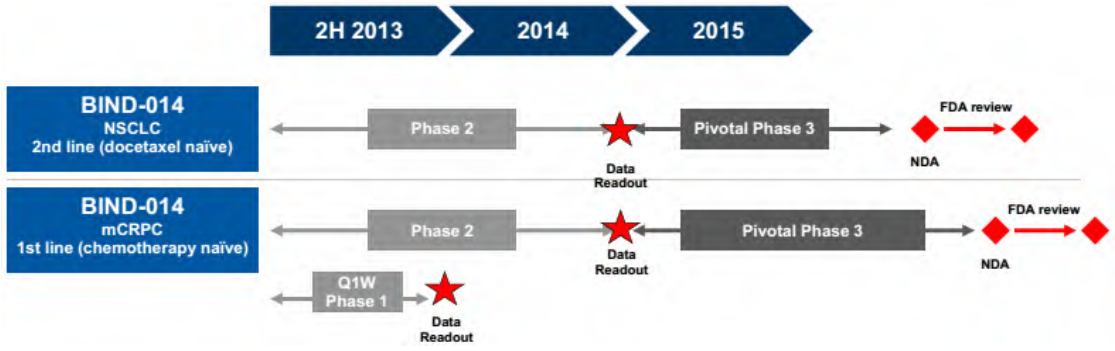
Future Clinical Development

Over the near term, BIND's clinical focus rests with two Phase II trials in second-line NSCLC and metastatic CRPC. The first of these trials, relating to NSCLC, was initiated in July 2013 and is designed as a 40-patient, single-arm, multi-center study in patients with advanced or metastatic NSCLC and have failed one prior regimen of platinum containing chemotherapy. The primary endpoint of the study is objective response within six cycles of therapy. In as much as the trial will more concretely assess the activity of BIND-014 in NSCLC, at this size, we believe the trial will reliably inform the validity of further development, significantly lessening the burden of risk for Phase III. In our view, objective response rates in the range of 15-20% (1.5-2 fold above historical response rates with docetaxel) in second-line lung cancer would provide a wide enough margin to not only infer success in a randomized head-to-head Phase III against Taxotere, but also meaningful enough clinical benefit to secure FDA approval and appreciable uptake in the market. While the opportunity may exist, ultimate success with BIND-014 presenting a more favorable safety profile relative to Taxotere, in our view, depends on its ability to out-compete on efficacy.

A similar Phase II study in patients with metastatic CRPC was initiated in August 2013. The prostate cancer study is designed as a 40-patient, single-arm trial enrolling patients naïve to prior chemotherapy (prior radiation and hormonal/androgen deprivation therapy is permitted). Here, the primary endpoint is the percentage of patients achieving radiographic progression-free survival (rPFS) at the six-month follow up. As in the NSCLC trial, the primary question will be how the efficacy data will compare to baseline PFS rates with docetaxel in order to determine its potential/suitability for Phase III development. Historically, six-month PFS rates with docetaxel have been around 50%. In our view, mCRPC results showing ≥60% six-month PFS with BIND-014 would engender a high level of confidence in a successful Phase III head-to-head study and commercial uptake. Likewise, while there is more than one way to win the regulatory argument with the FDA on the case for approval, the ability to demonstrate superior efficacy over Taxotere will be more important to commercial uptake when weighed against the need for a better tolerated chemotherapy.

FIGURE 14. Summary of BIND-014 Phase II Studies and Development Timelines

	Second-Line NSCLC	Metastatic CRPC
Size, design	40 patients, open label All histologies	40 patients, open label
Regimen	60mg/m^2 , Q3W	60mg/m^2, Q3W
Primary Endpoint	Objective response rate	Radiographic PFS at 6mos; med PFS
Benchmark results	5-9%	50%; 6 months
Secondary Endpoints	PFS, OS, safety	PSA progression, OS, safety
Sites	8 sites in the US, 4 sites in Russia	8 sites in the US
Top-line results	2H14	2H14



Source: BIND company presentations and JMP Securities LLC

Commercial Opportunity

In valuing the commercial opportunity for BIND-014, we developed incidence and prevalence driven market models in the two initial indications of development – NSCLC and CRPC – and further segmented by geography. Beginning with NSCLC in the U.S., we arrive at an estimated addressable patient population of ~85,000 patients at the time of market launch, which we forecast for 2017. Our model anticipates an initial median duration of therapy of five cycles or 3.75 months, and incremental growth in the duration of therapy year over year. We expect steady growth in market penetration, arriving at 50% peak penetration in 2024. Our NSCLC market models for Europe and Japan are similarly segmented and follow similar market penetration dynamics, however, with delayed launch years of 2018 and 2019, respectively. Our model assumes ex-U.S. sales are led by a global commercial partner, delivering a straight line 15% royalty to BIND.

For CRPC, we model an addressable metastatic patient population of 38,400 in U.S. at the time of label expansion in 2018, representing a combination of the minority of patients with metastatic disease at their time of diagnosis and a conservative rate of progression from the non-metastatic prevalence population. We model moderately-rapid market adoption that approaches 55% peak penetration in 2024. Similar market projections are modeled for Europe and Japan, anticipating label expansions in 2019 and 2020, respectively.

In terms of pricing, we model a per cycle initial list price of $4,500 in the U.S. This assumption may ultimately prove conservative, particularly if BIND-014 successfully demonstrates superiority to docetaxel with respect to either PFS or OS, in which case we believe BIND-014 could easily command a pricing premium similar to that of Abraxane (priced at around $6,000 per cycle).

All told, we forecast BIND-014 sales in $985MM in 2019 ($624MM in the U.S.) and $2.14 billion in 2023 ($1.16MM in the U.S.) evenly weighted between the two indications. A summary of projected BIND-014 revenue by geography and indication is provided in Figure 15, while detailed market model assumptions for NSCLC and mCRPC in the U.S. are presented in Figures 16 and 17.

FIGURE 15. Summary of BIND-014 Revenues by Indication and Geography

BIND-014 Revenue Summary	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
WW Sales	**$ 95**	**$ 213**	**$ 530**	**$ 942**	**$ 1,536**	**$ 2,339**	**$ 3,102**	**$ 3,732**	**$ 4,192**
US	95	168	341	583	951	1,374	1,749	2,006	2,196
Ex-US Sales	-	45	189	359	585	965	1,353	1,726	1,995
Effective royalty rate	*15%*	*15%*	*15%*	*15%*	*15%*	*15%*	*15%*	*15%*	*15%*
Royalty Revenue to BIND	**$ -**	**$ 7**	**$ 28**	**$ 54**	**$ 88**	**$ 145**	**$ 203**	**$ 259**	**$ 299**
Breakdown by Geography and Indication									
US	**$ 95**	**$ 168**	**$ 341**	**$ 583**	**$ 951**	**$ 1,374**	**$ 1,749**	**$ 2,006**	**$ 2,196**
NSCLC	95	120	209	325	493	758	975	1,148	1,250
mCRPC	-	48	132	258	457	616	773	858	947
EU	**$ -**	**$ 45**	**$ 169**	**$ 299**	**$ 485**	**$ 811**	**$ 1,106**	**$ 1,369**	**$ 1,556**
NSCLC	-	45	93	125	189	316	468	597	688
mCRPC	-	-	76	174	296	495	638	773	867
JPN	**$ -**	**$ -**	**$ 21**	**$ 59**	**$ 100**	**$ 154**	**$ 247**	**$ 357**	**$ 440**
NSCLC	-	-	21	43	58	89	152	228	295
mCRPC	-	-	-	17	41	65	96	129	145

Source: JMP Securities LLC and Company reports

FIGURE 16. BIND-014 NSCLC Market Model, U.S.

US BIND-014 NSCLC ($MM)	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Incidence NSCLC, US	196,407	199,353	202,343	205,379	208,459	211,586	214,760	217,981	221,251
% Growth	*1.5%*	*1.5%*	*1.5%*	*1.5%*	*1.5%*	*1.5%*	*1.5%*	*1.5%*	*1.5%*
% of patients with Stage III-IV disease	*60.0%*	*59.8%*	*59.5%*	*59.3%*	*59.0%*	*58.8%*	*58.5%*	*58.3%*	*58.0%*
# of Stage III or IV NSCLC Patients	117,844	119,114	120,394	121,687	122,991	124,307	125,635	126,974	128,326
2nd Line NSCLC									
% of 1L patients treated with platinum-based chemotherapy	*80%*	*80%*	*80%*	*80%*	*80%*	*80%*	*80%*	*80%*	*80%*
% of 1L patients progressing to 2nd line	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*
Addressable 2nd line patient population	84,848	85,762	86,684	87,615	88,553	89,501	90,457	91,421	92,394
Market Penetration	***5%***	***6%***	***10%***	***15%***	***22%***	***31%***	***38%***	***43%***	***45%***
2nd line patients treated with BIND-014	4,242	5,146	8,668	13,142	19,482	27,745	34,374	39,311	41,578
Cycles on therapy	5.0	5.1	5.2	5.2	5.2	5.5	5.6	5.7	5.7
Total patient months on therapy	21,212	26,243	44,642	68,076	101,305	152,599	192,492	222,108	236,992
% growth		*24%*	*70%*	*52%*	*49%*	*51%*	*26%*	*15%*	*7%*
Cost per cycle of therapy	$ 4,500	$ 4,590	$ 4,682	$ 4,775	$ 4,871	$ 4,968	$ 5,068	$ 5,169	$ 5,272
% price increase		*2%*	*2%*	*2%*	*2%*	*2%*	*2%*	*2%*	*2%*
BIND-014 NSCLC Sales, US ($MM)	**$ 95**	**$ 120**	**$ 209**	**$ 325**	**$ 493**	**$ 758**	**$ 975**	**$ 1,148**	**$ 1,250**
% Growth		*26%*	*74%*	*56%*	*52%*	*54%*	*29%*	*18%*	*9%*

Source: JMP Securities LLC and Company reports

FIGURE 17. BIND-014 mCRPC Market Model, U.S.

US BIND-014 in mCRPC ($MM)	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
CRPC prevalence, US	801,282	809,295	817,388	825,561	833,817	842,155	850,577	859,083	867,673
% Growth	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*
% metastasis from 2nd line NM-CRPC prevalence population	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*
# of prevalence patients with metastatic disease	32,051	32,372	32,696	33,022	33,353	33,686	34,023	34,363	34,707
CRPC incidence, US	254,071	256,612	259,178	261,770	264,387	267,031	269,702	272,399	275,123
% Growth	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*
% metastatic disease at diagnosis	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*	*4%*
# of incidence patients with metastatic disease	10,163	10,264	10,367	10,471	10,575	10,681	10,788	10,896	11,005
1st line mCRPC population	42,214	42,636	43,063	43,493	43,928	44,367	44,811	45,259	45,712
% treated with taxane chemotherapy	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*	*90%*
Addressable mCRPC population	37,993	38,373	38,756	39,144	39,535	39,931	40,330	40,733	41,141
Market Penetration		***3%***	***8%***	***15%***	***25%***	***32%***	***39%***	***42%***	***45%***
mCRPC patients with BIND-014		1,151	3,101	5,872	9,884	12,778	15,729	17,108	18,513
Cycles on therapy		9.0	9.1	9.2	9.5	9.7	9.7	9.7	9.7
Total patients months on therapy		10,361	28,215	54,019	93,896	123,945	152,568	165,948	179,579
% growth			*272%*	*191%*	*174%*	*132%*	*123%*	*109%*	*108%*
Cost per cycle of therapy		$ 4,590	$ 4,682	$ 4,775	$ 4,871	$ 4,968	$ 5,068	$ 5,169	$ 5,272
% price increase			*2%*	*2%*	*2%*	*2%*	*2%*	*2%*	*2%*
BIND-014 CRPC Sales, US ($MM)		**$ 48**	**$ 132**	**$ 258**	**$ 457**	**$ 616**	**$ 773**	**$ 858**	**$ 947**
% Growth			*178%*	*95%*	*77%*	*35%*	*26%*	*11%*	*10%*

Source: JMP Securities LLC and Company reports

Intellectual property

BIND-014 and the Accurin technology platform is supported by an extensive intellectual property portfolio that includes up to fifteen issued patents in the U.S., one issued patent in Europe, 45 pending U.S. provisional and non-provisional patent applications and several pending foreign counterparts to these applications that are either owned by or licensed to BIND Therapeutics. These patents and patent applications cover specific nanoparticles, nanoparticle compositions, combinations with specific, active pharmaceutical ingredients, methods of making targeting ligands, and methods of use in the treatment of breast and prostate cancer. The issued patents are generally expected to expire between 2025 and 2030, while the pending patent applications, if granted, are expected to expire between 2032 and 2034.

Competitive Landscape

From a competitive perspective, BIND faces competition from a number of other therapeutic nanoparticle technologies. These include marketed products such as Abraxane, an albumin-stabilized nanoparticle formulation of paclitaxel, which is approved for the treatment of breast cancer, metastatic pancreatic cancer and front-line NSCLC. Pre-clinical studies showed that treatment with Abraxane could achieve higher intratumoral concentrations of paclitaxel compared to free paclitaxel injection - an effect potentially resulting from increased albumin-facilitated transport across an endothelial cell barrier. Nektar's (NKTR, NC) etirinotecan pegol is a novel, pegylated macromolecule version of the topoisomerase I chemotherapy, irinotecan, designed to enhance the drug's pharmacokinetic profile and, as a consequence, anti-tumor activity. Nektar's lead development program with Etirinotecan is a Phase III trial in metastatic breast cancer, and while none of the current development indications overlap with those of BIND-014, it may limit the breadth of potential development opportunities for an irinotecan-based Accurin therapy.

More specifically, within the nanoparticle encapsulation space, privately-held Intezyne is leveraging its IVECT technology (Intezyne's Versatile Encapsulation and Crosslinking Technology) to develop safer and more efficacious chemotherapeutics. The composition of the IVECT nanoparticle, which uses a tripartite copolymer with a hydrophilic exterior and a lipophilic interior, closely rivals that of BIND's Accurin technology. The company's lead IVECT candidate, IT-141, is a polymer encapsulated formulation of SN-38 (the active ingredient in irinotecan), which is currently in pre-clinical, IND-enabling studies and is anticipated to begin Phase I development during 2014.

Within NSCLC and along with taxane-based chemotherapies more broadly, BIND-014 faces competition from the PD1/PDL1 class of immune checkpoint antibodies including nivolumab (Bristol-Myers Squibb; BMY, NC) and MPDL3280A (Roche; RHHBY, NC). Both candidates are currently in late-stage clinical trials in second-line NSCLC after failure from platinum-based chemotherapy. Importantly, both programs employ a standard docetaxel comparator arm, and thereby have the potential to displace docetaxel as the second-line standard of care if ultimately proven successful, particularly in light of the less severe adverse event profile shared across the class.

Finally, BIND's PSMA targeting strategy faces some competition from Progenics' (PGNX, NC) PSMA antibody drug conjugate (ADC) candidate PSMA ADC1301. The drug candidate is currently in Phase II development for the treatment of metastatic CRPC in patients failing prior treatment with Taxotere. While Progenics' PSMA program is evaluating activity in a more experienced patient population, we expect there could be a modest amount of read-through implications to BIND-014.

SUMMARY AND CONCLUSION

In our view, shares of BIND Therapeutics embody everything investors found attractive about Abraxis (at least as far as the product is concerned). That is, a differentiated taxane that maintains or increases its anti-tumor activity, but has a superior tolerability profile. If BIND-014 can show this superior profile when the Phase II results are presented next year, the shares should respond in a highly positive way due to the perceived risk reduction and registration pathway the data will provide. BIND-014 offers a unique product profile in that it offers physicians and patients a better version of a drug they know well already; from an investor standpoint, the accelerated registration pathway under 505(b)2 not only reduces the discount applied for risk-adjusted cash flows, but also should create improved visibility for the product's revenue ramp. When coupled with a management team that has accomplished much in this field with predicate agents such as Doxil and Abraxane, it is our opinion that all the necessary elements for success have come together in BIND. Therefore, we are initiating coverage with a Market Outperform rating and a $30 price target.

APPENDIX A – BIOGRAPHIES

Senior Management

Scott Minick, President and CEO. Scott Minick has served as President and Chief Executive Officer since January 2010. From 1998 to January 2010, Mr. Minick was a Managing Director of ARCH Venture Partners, a venture capital firm, and was instrumental in the startup, development and financing of numerous ARCH portfolio companies, including BIND Therapeutics. From 1995 to 1998, Mr. Minick was Director, President and Chief Operating Officer of Sequus Pharmaceuticals, Inc., a biopharmaceutical company that was acquired by ALZA Corporation. He received his postgraduate training in neurobiology at the Salk Institute, an M.B.A. from Northwestern University and a B.A. from the University of California at San Diego.

Andrew Hirsch, Chief Financial Officer. Andrew Hirsch has served as Chief Financial Officer since July 2012. From June 2011 to May 2012, he was Vice President of Finance and Chief Financial Officer at Avila Therapeutics, Inc., a biotechnology company, until its acquisition by Celgene Corporation in March 2012. From 2002 to 2011, Mr. Hirsch served in roles of increasing responsibility during his nearly 10-year tenure at Biogen Idec, a biotechnology company, most recently from 2010 to 2011 as Vice President, Corporate Strategy and M&A. From 2007 to 2010, Mr. Hirsch held various positions in the finance organization, including leading the company's Business Planning and Investor Relations functions. He also served as Program Executive in neurology, leading the development teams for the BG-12 (now marketed as Tecfidera), Avonex and Tysabri programs. He received his M.B.A. from the Tuck School at Dartmouth College and a B.A. in Economics from the University of Pennsylvania.

Greg Berk, M.D., Chief Medical Officer. Greg Berk has served as Chief Medical Officer since December 2012 and prior to that served as a clinical consultant to the company since May 2012. From June 2011 to May 2012, Dr. Berk was Chief Medical Officer at Intellikine, Inc., a biotechnology company focused on the discovery and development of novel PI3 Kinase and mTOR inhibitors, which was acquired by Takeda Pharmaceutical Company/Millennium Pharmaceuticals, Inc. From February 2010 to June 2011, Dr. Berk served as Senior Vice President of Global Clinical Development at Abraxis BioScience, Inc, a biotechnology company. From 2006 to 2009, Dr. Berk served as Head of Clinical Development and Chief Medical Officer at Supergen (now Otsuka), a biopharmaceutical company. Dr. Berk obtained his medical degree from Case Western Reserve University, and completed his internship, residency, and fellowship in internal medicine, hematology, and medical oncology, at the Weill Medical College of Cornell University and New York Presbyterian Hospital, where he also served as a faculty member from 1989 to 2004.

James Wright, Ph.D., Chief Science Officer. James Wright has served BIND in various capacities since 2007, most recently in the capacity of Chief Scientific Officer since October 2011. Previously, Dr. Wright was Vice President of Development at Infinity Pharmaceuticals, Inc, a biotechnology company. Before joining Infinity, he was Vice President of Pharmaceutical Development at Millennium Pharmaceuticals, a biotechnology company. Earlier, he was Senior Vice President of Development at Alkermes plc, a biotechnology company, and Distinguished Scientist at Boehringer Ingelheim Pharmaceuticals, a biopharmaceutical company. Additionally, Dr. Wright teaches at the University of Wisconsin as an Adjunct Professor. Dr. Wright received his Ph.D. in Pharmacy from the University of Wisconsin and B.A. degrees in Biology and Chemistry from the University of California, Santa Barbara.

Jeff Hrkach, Ph.D., SVP, Technology, Research and Development. Jeff Hrkach has served as Senior Vice President, Technology, Research and Development since January 2010. From August 2009 to January 2010, he served as its Interim President. Prior to serving as Interim President, he served as Vice President of Pharmaceutical Sciences from July 2007 to August 2009. Prior to joining BIND, Dr. Hrkach was Senior Director of Drug Delivery and Strategic Product Development at Momenta Pharmaceuticals, Inc., a biotechnology company. Prior to Momenta, Dr. Hrkach was Director of Pulmonary Formulations at Alkermes. Dr. Hrkach joined AIR at its inception in 1998 following his postdoctoral research with Professor Robert Langer at the Massachusetts Institute of Technology (MIT). He received his Ph.D. in Chemistry and M.S. in Polymer Science from Carnegie Mellon University and his B.S. in Chemistry from the Philadelphia College of Pharmacy and Science.

Dan Koerwer, SVP, Business Development and Commercial. Dan Koerwer has served as Senior Vice President, Business Development and Commercial since June 2013. From August 2010 to June 2013, Mr. Koerwer served as Head of Market and Business Development. From 2007 to July 2010, Mr. Koerwer was President and Managing Director of Eidetica Biopharma, GmbH, a subsidiary of Biogen Idec focused on developing a portfolio of protein therapeutics. From 1998 to 2007, he held various management roles at Biogen Idec. Mr. Koerwer led Research Operations across Biogen Idec's North American research sites. Subsequently, he led global New Product Commercialization, then assumed the role of Chief of Staff, Biogen Idec International in Zug, Switzerland. Mr. Koerwer has worked as a management consultant with Booz, Allen & Hamilton and began his career in sales at the Rohm and Haas Company. He received his M.B.A. from Harvard Business School and B.S. in Biochemistry from Boston College.

Paul Burgess, J.D., VP, Intellectual Property. Paul Burgess has served as Vice President, Intellectual Property since March 2011. From January 2008 to February 2011, he served as BIND's Director, Intellectual Property. Mr. Burgess also serves as Head of Intellectual Property at Civitas Therapeutics, Inc., a biotechnology company, and has held that position since March 2011. From January 2008 to February 2011, he served as Director of Intellectual Property and General Counsel at Logical Therapeutics, a biotechnology company. Prior to joining BIND, he was Senior Counsel at Johnson & Johnson, a consumer health and biotechnology company, from 2005 to December 2007. Mr. Burgess joined Johnson & Johnson through the acquisition of Transform Pharmaceuticals where he worked as Patent Counsel from 2003 to 2005. Prior to becoming a lawyer, Mr. Burgess conducted immunology research at the Genetics Institute from 1995 to 1999. Mr. Burgess received a J.D. from Northeastern University, a M.S. in Pharmacology from Northeastern University and a B.S. in Biology from Merrimack College.

Stephen Zale, Ph.D., VP, Development. Stephen Zale has served as Vice President, Development since November 2006. In 2003, he became Vice President of Injectable Products R&D at Alkermes, where he led the group responsible for formulating Alkermes' biodegradable polymer-based microsphere products, including Nutropin Depot, Risperdal CONSTA and Vivitrol. Prior to joining Alkermes, Dr. Zale led the Bioseparations R&D group at Sepracor Inc., a biopharmaceutical company. Dr. Zale received a Ph.D. in Biochemical Engineering from MIT and a B.S. in Chemistry, also from MIT.

Mitchall Clarkhas, Head of Regulatory Affairs. Mitchall Clarkhas served as BIND's Head of Regulatory Affairs since June 2013. From August 2012 until June 2013, Mr. Clark served as Sr. Vice President of Regulatory Affairs and Quality Assurance at Nant Pharma, LLC, a pharmaceutical company. From June 2011 until December 2012, Mr. Clark served as a regulatory consultant to various companies. From October 2010 until June 2011, he was Sr. Vice President, Regulatory Affairs at

Celgene Corporation, a biopharmaceutical company, following its acquisition of Abraxis Bioscience, Inc. From 2002 to October 2010, he was Sr. Vice President, Regulatory Affairs, Clinical Quality Assurance and Safety at American Bioscience Inc., which later became Abraxis Bioscience. He received his degree in Pharmacy from the University of Nottingham in England.

Board of Directors

Daniel Lynch, Chairman. Daniel Lynch has served as the Chairman of BIND Therapeutics' board of directors since October 2012. He spent nearly five years at ImClone Systems, a biotechnology company, serving as Chief Executive Officer from April 2003 to November 2005 and Chief Financial Officer from April 2001 to March 2003. Earlier in his career, he served in various financial positions at Bristol-Myers Squibb over a 15-year tenure. Mr. Lynch currently serves on the board of directors of bluebird bio, Inc., a biotechnology company. He previously served on the board of directors and the audit committee of U.S. Oncology, Inc. from 2006 until December 2010. Mr. Lynch received his B.A. in Mathematics from Wesleyan University and his M.B.A. from the Darden Graduate School of Business Administration at the University of Virginia.

Noubar Afeyan, Ph.D. has served as a member of BIND's board of directors since 2007. Dr. Afeyan is Managing Partner and CEO of Flagship Ventures, an early-stage venture firm that he co-founded in 1999. Dr. Afeyan currently serves on the board of directors of BG Medicine, Inc. Previously, he served on the board of directors of Helicos BioSciences Corporation from 2003 to 2012. He earned his Ph.D. in Biochemical Engineering from MIT.

Omid Farokhzad, M.D. is one of BIND's co-founders and has served as a member of the company's board of directors since 2006. Dr. Farokhzad is an Associate Professor at Harvard Medical School (HMS) and a physician-scientist in the Department of Anesthesiology at Brigham and Women's Hospital (BWH), positions he has held since 2004. Dr. Farokhzad directs the Laboratory of Nanomedicine and Biomaterials at BWH. Prior to joining the HMS faculty, Dr. Farokhzad completed his postgraduate clinical and postdoctoral research trainings, respectively, at BWH/HMS and MIT in the laboratory of Dr. Langer. He received his M.D. and M.A. from Boston University School of Medicine.

Peter Barton Hutt has served as a member of BIND's board of directors since 2008. Mr. Hutt is a senior counsel in the Washington, D.C. law firm of Covington & Burling specializing in food and drug law. Mr. Hutt began his law practice with the firm in 1960 and, except for his four years in the government, has continued at the firm ever since. Mr. Hutt served as Chief Counsel for the FDA during 1971 to 1975. Mr. Hutt serves on the board of directors of Momenta Pharmaceuticals, Xoma Corp. and DBV Technologies. From 2008 to 2011, he served on the board of directors of Celera Corp and, from 2003 to 2008, served on the board of MMRGlobal,Inc., formerly Favrille, Inc.

Robert Langer, Sc.D. is one of BIND's co-founders and has served as a member of its board of directors since 2006. Dr. Langer has been an Institute Professor at MIT since 2005, and prior to that was an Assistant Professor at MIT since 1978. Dr. Langer has received the National Medal of Science, National Medal of Technology and Innovation, Wolf Prize in Chemistry, Charles Stark Draper Prize, Albany Medical Center Prize in Medicine and Biomedical Research and the Lemelson-MIT prize. Dr. Langer is one of the very few individuals ever elected to the Institute of Medicine, the National Academy of Engineering, and the National Academy of Sciences. Dr. Langer received his B.S. from Cornell University and his Sc.D. from MIT, both in Chemical Engineering. He currently serves on the board of directors of Advanced Cell Technology and previously served as a director of Momenta

Pharmaceuticals from 2001 to 2009, Wyeth from 2004 to 2009, Fibrocell Science, Inc. from 2010 to 2012 and Millipore Corp from 2009 to 2010.

Amir Nashat, Sc.D. has served as a member of BIND's board of directors since February 2008. Dr. Nashat has been a Managing General Partner at Polaris Venture Partners, a venture capital firm, since 2009 and focuses on investments in the life sciences. He currently serves on the board of directors of Receptos, Inc. Dr. Nashat completed his Ph.D. as a Hertz Fellow in Chemical Engineering at MIT with a minor in Biology under the guidance of Dr. Langer. Dr. Nashat earned both his M.S. and B.S. in Materials Science and Mechanical Engineering at the University of California, Berkeley.

Yurii Udaltsov, Cand. Sc. has served as a member of BIND's board of directors since November 2011. Dr. Udaltsov is Director of Innovative Development and a member of the management board of RUSNANO Corporation, positions he has held since January 2009 and February 2009, respectively. From 2004 to December 2008, he was Head of the Reform Management Center of RAO UES, the Unified Energy System of Russia. Dr. Udaltsov received his undergraduate degree as an Engineer-physicist at the Moscow Institute of Physics and Technology and Candidate of Science degree at the Computing Center of RAS.

Source: Company website

FIGURE 18. BIND Therapeutics, Income Statement

Income Statement ($MM)	1Q13E	2Q13E	3Q13E	4Q13E	2013E	1Q14E	2Q13E	3Q14E	4Q14E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Product Sales and Royalties:																
BIND-014																
US Sales											-	-	95.5	168.0	341.1	583.1
ROW Royalties											-	-	-	6.8	28.4	53.8
Total Product Sales and Royalties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	95.5	174.8	369.5	636.8
Collaboration Revenue	1.5	2.8								16.0	70.5	29.0	55.0	20.0	51.5	72.0
Total Revenue	1.5	2.8	0.0	0.0	4.3	0.0	0.0	0.0	0.0	16.0	70.5	29.0	150.5	194.8	421.0	708.8
Cost of Goods Sold												0.0	9.5	16.8	34.1	58.3
Gross Profit	1.5	2.8	0.0	0.0	4.3	0.0	0.0	0.0	0.0	0.0	70.5	29.0	140.9	178.0	386.9	650.5
Operating Expenses:																
Research and Development	5.7	6.0	6.4	6.8	24.8	7.2	7.6	8.0	8.5	31.3	54.8	95.9	139.0	164.0	188.6	211.2
General and administrative	2.0	2.4	3.8	3.9	12.1	4.2	4.5	4.9	5.4	19.0	24.7	37.1	64.8	97.3	136.2	163.4
Total operating expenses	7.6	8.4	10.2	10.7	36.9	11.4	12.1	12.9	13.9	50.3	79.5	132.9	203.8	261.3	324.8	374.6
Operating income (loss)	(6.1)	(5.6)	(10.2)	(10.7)	(32.7)	(11.4)	(12.1)	(12.9)	(13.9)	(50.3)	(9.0)	(103.9)	(62.9)	(83.2)	62.1	275.9
Other income (expense):																
Interest income	0.0	0.0			0.1											
Interest expense	(0.1)	(0.5)			(0.6)											
Total other income, net	(0.1)	(0.4)	0.0	0.0	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value of preferred stock warrant liability	(0.1)	0.0														
Foreign currency transaction gain (loss)	0.1	0.1														
Pretax income (loss)	(6.3)	(5.9)	(10.2)	(10.7)	(33.1)	(11.4)	(12.1)	(12.9)	(13.9)	(50.3)	(9.0)	(103.9)	(62.9)	(83.2)	62.1	275.9
Income tax benefit (provision)										0.0	0.0	0.0	0.0	0.0	(9.3)	(55.2)
Tax Rate										*0%*	*0%*	*0%*	*0%*	*0%*	*15%*	*20%*
Comprehensive income (loss)	(6.3)	(5.9)	(10.2)	(10.7)	(33.1)	(11.4)	(12.1)	(12.9)	(13.9)	(50.3)	(9.0)	(103.9)	(62.9)	(83.2)	52.8	220.7
Accretion of redeemable convertible preferred stock	(1.3)	(1.4)														
Net income (loss) attributable to common stockholders	(7.6)	(7.3)	(10.2)	(10.7)	(35.9)	(11.4)	(12.1)	(12.9)	(13.9)	(50.3)	(9.0)	(103.9)	(62.9)	(83.2)	52.8	220.7
Basic EPS to common shareholders	$ (0.23)	$ (0.54)	$ (0.76)	$ (0.68)	$ (2.09)	$ (0.72)	$ (0.76)	$ (0.81)	$ (0.80)	$ (2.89)	$ (0.47)	$ (4.95)	$ (2.75)	$ (3.52)	$ 2.17	$ 8.79
Diluted EPS to common shareholders	$ (0.23)	$ (0.54)	$ (0.76)	$ (0.68)	$ (2.09)	$ (0.72)	$ (0.76)	$ (0.81)	$ (0.80)	$ (2.89)	$ (0.47)	$ (4.95)	$ (2.75)	$ (3.52)	$ 1.71	$ 6.96
Basic shares outstanding	27.1	10.9	13.4	15.8	15.8	15.8	15.8	15.9	17.5	17.4	19.2	21.0	22.9	23.6	24.4	25.1
Diluted shares outstanding	27.1	10.9	13.4	15.8	15.8	15.8	15.8	15.9	17.5	17.4	19.2	21.0	22.9	23.6	31.0	31.7

Source: JMP Securities LLC and Company reports

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JMP Securities currently makes a market in the securities of BIND Therapeutics, Inc., Celgene Corporation, Infinity Pharmaceuticals, Inc. and Medivation, Inc.

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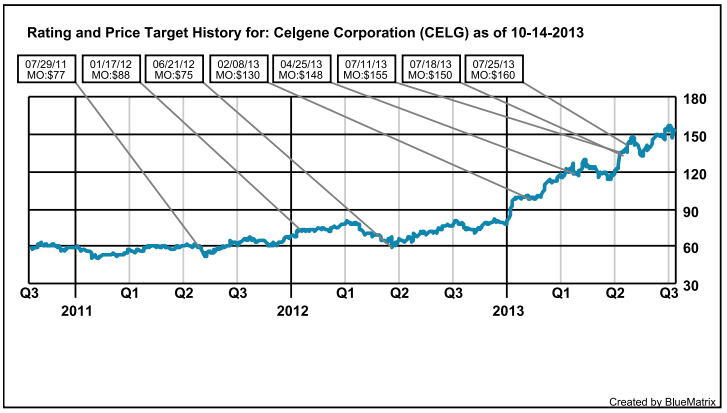
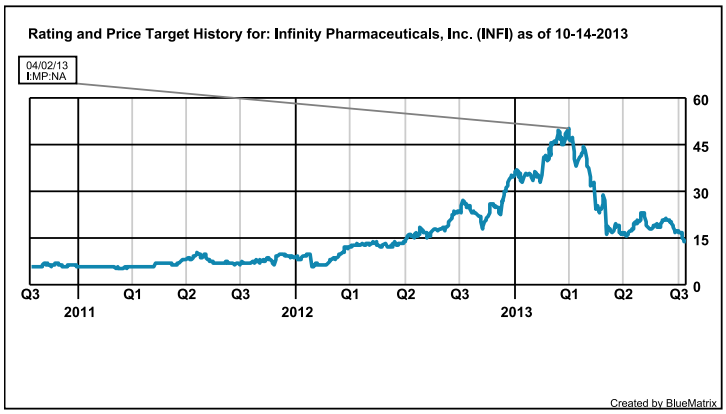
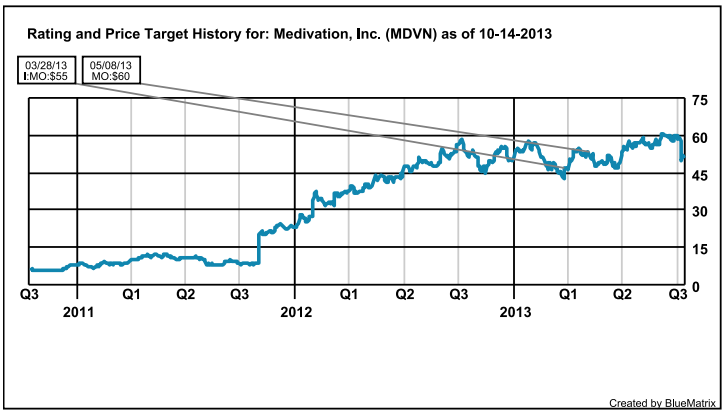
JMP Rating	Regulatory Equivalent	# Co's Under Coverage	*% of Total*	Regulatory Equivalent	# Co's Under Coverage	*% of Total*	# Co's Receiving IB Services in Past 12 Months	*% of Co's With This Rating*
MARKET OUTPERFORM	Buy	246	*61.65%*	Buy	246	*61.65%*	76	*30.89%*
MARKET PERFORM	Hold	147	*36.84%*	Hold	147	*36.84%*	22	*14.97%*
MARKET UNDERPERFORM	Sell	6	*1.50%*	Sell	6	*1.50%*	0	*0%*
TOTAL:		399	*100%*		399	*100%*	98	*24.56%*

Stock Price Chart of Rating and Target Price Changes:

Note: First annotation denotes initiation of coverage or 3 years, whichever is shorter. If no target price is listed, then the target price is N/A. In accordance with NASD Rule 2711, the chart(s) below reflect(s) price range and any changes to the rating or price target as of the end of the most recent calendar quarter. The action reflected in this note is not annotated in the stock price chart. Source: JMP Securities.







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