

March 12, 2014

Stock Rating  
**Overweight**

Industry View  
**In-Line**

## Chimerix Inc

### New AdV Trial Highlights

### Broad Brincidofovir Potential

**Chimerix announced today that based on urgent patient need, they have negotiated with the FDA to immediately start an open label 20 pt adenovirus (AdV) trial.** Furthermore, the company notes that the FDA has agreed to work with them towards expanding this open label trial into a more comprehensive, pivotal Ph 3 AdV trial. We view this as a good outcome for the company and pts, and reinforces our view that this drug likely has broader potential beyond the recent focus on CMV prevention in high risk stem cell transplants (SCT).

**AdV:** The company has generated two data sets in Adv, including a) pts from the prior expanded access program (Study 350), and b) the controlled AdV trial (Study 202). See our notes from 9/18/13 and 2/28/14 which discuss these data sets in detail. **Our key takeaways from these data sets and our work on AdV are that a)** brincidofovir is both safe and efficacious in AdV pts, including ones with advanced disease, **b)** while AdV is not as common as CMV in some immunocompromised populations, its impact can be much worse given the lack of good existing treatment options, and **c)** pts often are co-infected with AdV and other double stranded DNA (dsDNA) viruses, which brincidofovir can also treat.

**Path Forward:** In terms of a pivotal study, we believe pt selection will ultimately be key as Study 202 highlighted that pts with reconstituting immune systems and low level viremia may not need aggressive treatment. Thus, we see a trial that focuses on pts with higher viral load (possibly >1000 copies/mL) and a significant immunocompromised state as one that should clearly favor brincidofovir therapy and benefit pts in significant need. Depending on timing and robustness of data, this trial may be one that, in addition to SUPPRESS, could anchor a full drug approval. We continue to expect the company to also move forward with the solid organ (likely kidney) trial which is being planned currently and will likely focus on both CMV and other dsDNA virus burden (including AdV and BK virus).

#### Key Ratios and Statistics

Reuters: CMRX.O Bloomberg: CMRX US

Biotechnology / United States of America

Shr price, close (Mar 11, 2014)	\$20.80
Mkt cap, curr (mm)	\$538
52-Week Range	\$27.00-12.96

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March 12, 2014

Chimerix Inc

(as of February 28, 2014)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)		
	Count	% of Total	Count	% of Total IBC	% of Rating Category
<b>Overweight/Buy</b>	<b>1015</b>	<b>34%</b>	<b>303</b>	<b>37%</b>	<b>30%</b>
<b>Equal-weight/Hold</b>	<b>1307</b>	<b>44%</b>	<b>392</b>	<b>48%</b>	<b>30%</b>
<b>Not-Rated/Hold</b>	<b>100</b>	<b>3%</b>	<b>24</b>	<b>3%</b>	<b>24%</b>
<b>Underweight/Sell</b>	<b>538</b>	<b>18%</b>	<b>90</b>	<b>11%</b>	<b>17%</b>
<b>Total</b>	<b>2,960</b>		<b>809</b>		

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months.

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#### Stock Price, Price Target and Rating History (See Rating Definitions)

March 12, 2014

Chimerix Inc



Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)  
 Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) —  
 Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View  
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March 12, 2014

Chimerix Inc

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## Industry Coverage:Biotechnology

Company (Ticker)	Rating (as of)	Price* (03/11/2014)
<b>David Friedman, M.D.</b>		
AMAG Pharmaceuticals, Inc. (AMAG.O)	E (11/21/2011)	\$21.65
Alexion Pharmaceuticals (ALXN.O)	O (09/07/2010)	\$175.95
Alnylam Pharmaceuticals (ALNY.O)	E (01/14/2014)	\$72.55
Auxilium Pharmaceuticals (AUXL.O)	U (03/06/2014)	\$29.37
Chimerix Inc (CMRX.O)	O (05/06/2013)	\$20.8
Cubist Pharmaceuticals Inc. (CBST.O)	O (11/13/2013)	\$76.58
Idenix Pharmaceuticals, Inc. (IDIX.O)	E (03/18/2011)	\$6.78
Incyte Corporation (INCY.O)	U (01/23/2013)	\$65.49
InterMune (ITMN.O)	E (09/07/2010)	\$33.18
Ironwood Pharmaceuticals, Inc. (IRWD.O)	E (04/24/2013)	\$13.39
Lexicon Pharmaceuticals, Inc. (LXRX.O)	U (06/11/2013)	\$1.76
NPS Pharmaceuticals (NPSP.O)	O (10/03/2012)	\$32.09
Neurocrine Biosciences Inc (NBIX.O)	E (01/08/2014)	\$17.46
Ophthotech Corp (OPHT.O)	O- (10/21/2013)	\$36.51
Portola Pharmaceuticals Inc (PTLA.O)	O (06/17/2013)	\$27.59
Relypsa, Inc. (RLYP.O)	O (12/10/2013)	\$41.4
Synageva Biopharma Corp (GEVA.O)	O (04/20/2012)	\$97.93
Tesaro Inc. (TSRO.O)	E (02/04/2014)	\$30.37
Theravance Inc (THRX.O)	U (07/22/2013)	\$33.73
Ultragenyx Pharmaceutical Inc (RARE.O)	O (02/25/2014)	\$62.38
Vertex Pharmaceuticals (VRTX.O)	E (05/08/2012)	\$79.19
XenoPort Inc (XNPT.O)	U (06/11/2013)	\$5.81

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