BIND Therapeutics, Inc. (BIND)

Promising Signs from Accurin Aurora Kinase B Inhibitor Collaboration at AACR

MARKET OUTPERFORM | Price: $9.58 | Target Price: $30.00

MARKET DATA

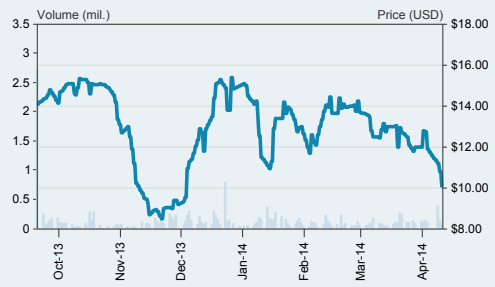
Price	$9.58
52-Week Range:	$8.36 - $15.89
Shares Out. (M):	15.8
Market Cap ($M):	$151.4
Average Daily Vol. (000):	87.0
Cash (M):	$62
Cash/Share:	$3.79
Enterprise Value (M):	$128
Float (M):	13.2
LT Debt (M):	$4

Source: Thomson Reuters and JMP Securities LLC

FY DEC		2012A	2013A	2014E
Revenue ($M)	1Q	--	$0.0	$1.8
	2Q	--	$0.0	$1.8
	3Q	--	$0.0	$5.0
	4Q	--	$0.0	$11.0
	FY	**$1.0**	**$0.0**	**$19.6**
EPS	1Q	--	($0.23)	($0.60)
	2Q	--	($0.54)	($0.62)
	3Q	--	($2.70)	($0.47)
	4Q	--	($0.50)	($0.16)
	FY	**($1.98)**	**($5.18)**	**($1.70)**
	P/E	NM	NM	NM

Source: Company reports and JMP Securities LLC

STOCK PRICE PERFORMANCE



INVESTMENT HIGHLIGHTS

Pre-clinical studies with Accurin formulated barasertib (AZD1152-hQPA) show enhanced anti-tumor activity and reduced bone marrow toxicity; reiterate Market Outperform rating and $30 price target on BIND Therapeutics. Data presented at AACR April 9 (Abstract #5409) in collaboration with strategic partner AstraZeneca show AZD-1152-hQPA (a nanoparticalized formulation of the Aurora Kinase B inhibitor barasertib) to have a more favorable PK/PD profile versus the parent compound. Of note, in a Phase II AML study, patients treated with barasertib showed a trend toward improved OS versus low-dose ara-C. The need for lengthy drug infusion and high rates of febrile neutropenia, however, likely precluded further clinical development. New pre-clinical data suggest that by extending the half-life of barasertib, AZD-1152-hQP may overcome both drawbacks, with potential utility to the treatment of both heme malignancies and solid tumors. While both BIND and AZN teams are enthusiastic about their progress, clinical testing remains at least 12 months following standard timelines for IND submission. Our price target on BIND is derived through DCF, CAGR and comparable valuation methodologies.

Accurin formulation confers favorable PK and PD profile to Aurora Kinase B inhibitor barasertib. As shown in Figure 2, AZD1152 (the prodrug form of barasertib) exhibits a slow release plasma PK profile when delivered IV using an Accurin formulation compared to the parent molecule. Slower drug release correlates with prolonged mitotic inhibition in tumor xenografts determined by measurement of histone H3 phosphorylation, with minimal impact to bone marrow cellularity over the same time course (Accurin E, Figure 3). Importantly, Accurin AZD1152, dosed less frequently than free barasertib, achieved greater tumor growth inhibition across several xenograft tumor models including mutant KRAS colon cancer (SW620) and DLBLC (OCI-Ly-10 and TMD-8; Figure 4).

Existing Phase II data underpin a compelling opportunity for an optimized barasertib formulation. Data from a 74-patient, 2:1 randomized Phase II study in elderly AML published in 2013 showed favorable objective response outcomes and a trend toward improved overall survival among patients treated with a seven-day continuous infusion of barasertib compared to the control arm of low-dose cytarabine (LDAC) (CR+CRi: 35.4% vs. 11.5%, $p<0.05$ and median OS: 8.2 months vs. 4.5, HR=0.88, p=0.66). High rates of Grade ≥3 febrile neutropenia and stomatitis (50% and 29%, respectively), likely the result of neutrophil depletion, were thought to preclude Phase III development. Current pre-clinical data suggest these effects might be significantly mitigated through Accurin mediated delivery while preserving anti-tumor activity, which if true, implies a high likelihood of success in AML and other potential indications.

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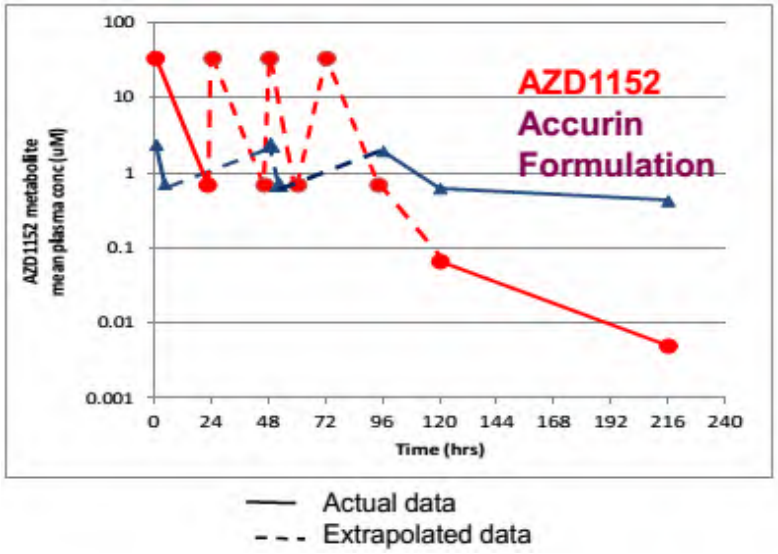
Standard gating factors ahead of clinical development. Feedback from BIND management indicates both BIND and AZN are dedicated to rapidly working through establishing AZD1152-hQPA as a viable clinical candidate. Nevertheless, following typical timelines for IND preparation and submission, AZD1152-hQPA remains 12-18 months from the start of a clinical trial should AZN decide to move forward with the program. We anticipate an incremental update around such timing during BIND's first quarter conference update.

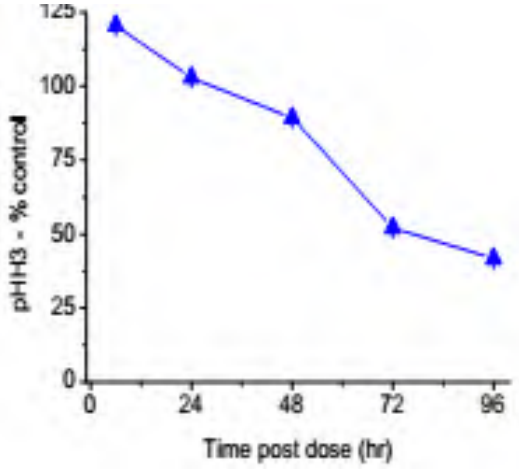
FIGURE 1. Upcoming Milestones

Timing	Milestones
2H14	Announcement of second 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

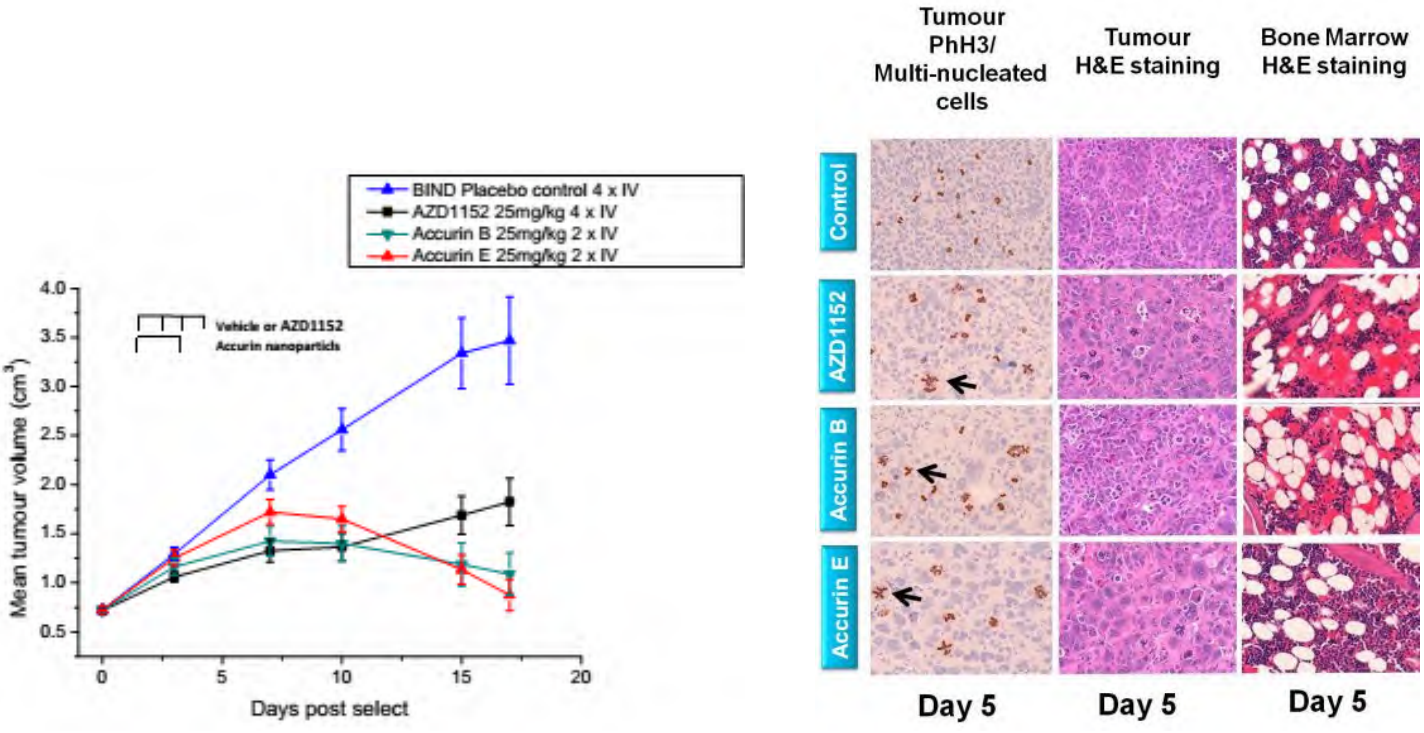
FIGURE 2. Accurin Formulated AZD-1152 Exhibits Slow Release PK and Durable Target Inhibition Compared to Free Drug





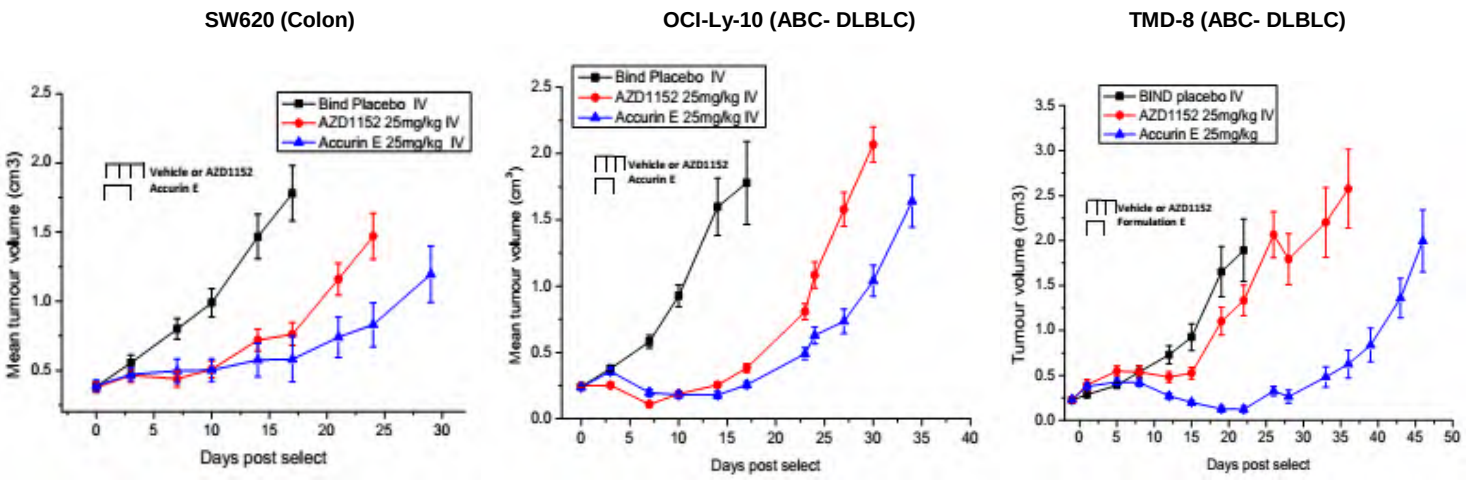
Source: BIND AZ poster presentation at AACR 2014

FIGURE 3. Accurin AZD1152 has Greater TGI with Minimal Impact to Bone Marrow Cellularity



Source: BIND AZ poster presentation at AACR 2014

FIGURE 4. Accurin Formulated AZD1152-hQPA Exhibits Greater Anti-tumor Durability than Free Compound



Source: BIND AZ poster presentation at AACR 2014

Company Description

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.

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 [jm1] 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 shareholder to some degree of dilution risk.

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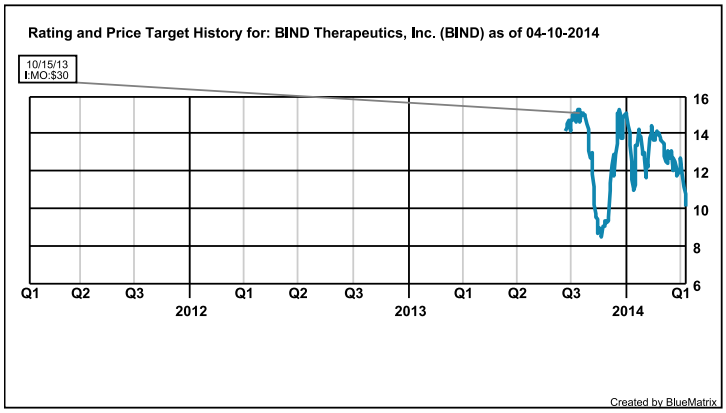
JMP Rating	Regulatory Equivalent	# Co's Under Coverage	*% of Total*	Regulatory Equivalent	# Co's Under Coverage	*% of Total*	# Co's Receiving IB Services in Past 12 Months	*% of Co's With This Rating*
MARKET OUTPERFORM	Buy	252	*58.06%*	Buy	252	*58.06%*	98	*38.89%*
MARKET PERFORM	Hold	134	*30.88%*	Hold	134	*30.88%*	15	*11.19%*
MARKET UNDERPERFORM	Sell	6	*1.38%*	Sell	6	*1.38%*	0	*0%*
COVERAGE IN TRANSITION		42	*9.68%*		42	*9.68%*	0	*0%*
TOTAL:		434	*100%*		434	*100%*	113	*26.04%*

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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