INITIATING COVERAGE
Biotechnology
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BIND THERAPEUTICS, INC. (NASDAQ:BIND)

Initiation: Bound For Glory

We are initiating coverage of Bind Therapeutics with an Outperform rating and a $30 price target. We believe the company's Accurin technology has the potential to deliver innovative, high-value medicines, starting with lead candidate BIND-014, which is in Phase II trials for prostate cancer and lung cancer.

Accurins Look To Take Drug Specificity To A New Frontier

Accurins are spherical nanoparticles that serve to encapsulate drug substances and deposit them selectively within certain tissues and cell types. Unlike prior generation delivery technologies, Accurins are highly engineered and can be customized for the purpose of optimizing drug release and targeting parameters. Bind's Accurin-platform can be applied broadly to improve the therapeutic window of older or newer therapeutic agents and is a natural fit for oncology applications. Partners Amgen, AstraZeneca, and Pfizer have bought into Accurins, providing cash and validation.

BIND-014 Aims To Improve Upon Taxotere

Wholly-owned candidate BIND-014 is an Accurin formulation of Taxotere (docetaxel), one of the most widely used oncology drugs. BIND-014 has been designed to provide superior efficacy relative to free Taxotere by virtue of a multi-faceted approach that selectively deposits the drug within tumors. Phase I data indicate BIND-014 is active with a pharmaceutical profile quite different from that of Taxotere. Ongoing Phase II trials could provide evidence of superior efficacy by H2:14. We think a more potent and potentially safer version of Taxotere would have blockbuster commercial potential.

In Strong Financial Condition, Attractively Valued

Following a recent IPO, BIND has $80-90MM in cash, enough to last well into 2015 and through important milestones such as Phase II data on BIND-014. We believe the company's roughly $240MM market cap undervalues its Accurin platform, partnerships, and pipeline. Our $30/share price target is driven solely from the value of BIND-014 ($25/share) and BIND's cash balance ($5/share).

Please see addendum of this report for important disclosures.

Recommendation

Rating:	Outperform
Price Target (in $):	$30.00
Expected Return:	96.0%
Dividend:	NA
Enterprise Value (MM):	$232.5

Earnings Per Share

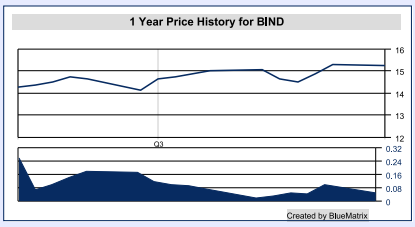
	2012A	2013E	2014E
Q1	$0.00	*$(1.34)A*	*$(0.53)*
Q2	$0.00	*$(1.27)A*	*$(0.53)*
Q3	$0.00	*$(0.77)*	*$(0.53)*
Q4	$0.00	*$(0.48)*	*$(0.51)*
FY	*$(2.50)*	*$(3.23)*	*$(2.10)*

Stock Statistics as of 10/11/2013 (in $)

Price:	$15.31
52W Range:	$15.38-$13.99
Shares Out (MM):	16.2
Market Cap (MM):	$241.6
Net Debt (MM):	$0.0

Fundamentals

Revenue (MM) ('12A)	1.0
Revenue (MM) ('13E)	7.7
Revenue (MM) ('14E)	18.0



Executive Summary

Bind Therapeutics is developing novel oncology candidates using a nanomedicine-based drug delivery platform. The company's "Accurins" aim to deliver high concentrations of small molecule drugs to tumors and other selective sites in the body where they can have the greatest therapeutic effect. Unlike prior generation particle-based technologies, Accurins are adaptable (able to accommodate many active drug substances), programmable (in terms of size, release kinetics, and targeting ligands), and easy to manufacture. Lead candidate BIND-014, an Accurin that delivers docetaxel (Taxotere) to cells that express PSMA, is in Phase II development for prostate cancer and lung cancer. Early data suggest BIND-014 is differentiated from docetaxel, and ongoing trials could produce data in H2:14 to support a superior efficacy profile. Should BIND-014 achieve its target profile of superiority to docetaxel, the rewards to Bind, which owns 100% rights, could be enormous: docetaxel sales peaked at over $3B in 2009. Bind has also parlayed its Accurin technology into collaborative relationships with Amgen, Astra Zeneca, and Pfizer. These partners are deploying Accurins against top oncology targets, with deal economics (>$450MM in pre-commercial milestones, mid- to high-single digit royalties) that appear attractive. Following a September IPO that raised over $70MM in gross proceeds, Bind has $80-90MM in cash, enough to fund operations well into 2015. We expect shares to outperform as investor appreciation for BIND-014 and the Accurin platform grows.

Not Your Mother's Drug Delivery Technology

Small molecule drug candidates are selected for development on the basis of a number of attributes (e.g. target specificity, bioavailability, absorption, half-life) that are expected to optimize their therapeutic potential. Yet once small molecules are delivered into the bloodstream, they distribute in a fairly indiscriminate manner, reaching most major organs, tissues, and cell types. In an effort to optimize efficacy at the disease site while minimizing potential harm to healthy tissues, drug developers have long sought to target small molecule drugs to select tissues or cells. Several companies introduced liposome-based formulations of doxorubicin, amphotericin, daunorubicin, and cytarabine in the 1990s. These agents appeared to offer some tissue selectivity, but were difficult to optimize in terms of their pharmacologic properties (size, consistency, release characteristics), complex to manufacture, and never demonstrated clear superiority to the free molecule forms of these drugs. Nonetheless, first-generation encapsulated drugs like JNJ's Doxil were able to achieve peak sales of over $500MM. Next generation formulations like Celgene's Abraxane (protein bound nanoparticles of paclitaxel) have demonstrated the ability to improve upon convenience and tolerability of infusions, but failed to meaningfully change the parent compound's PK/PD profile once in the body. Yet Abraxane is tracking to become a >$1B blockbuster based upon its convenience advantages and proven efficacy in a new indication, pancreatic cancer.

Examples of FDA Approved Nanoparticle Drugs

Drug name	Active Ingredient	FDA Approval Date	Indication
Doxil	doxorubicin	1995	Refractory ovarian cancer and myeloma
Duanoxome	daunorubicin	1996	Acute non-lymphocytic leukemia
Ambisome	amphotericin B	1997	Various fungal infections
Depocyte	cytarabine	1999	Lymphomatous meningitis
Abraxane	paclitaxel	2011	Breast, lung and pancreatic cancers
Marqibo	vincristine	2012	Ph- acute lymphoblastic leukemia

Source: Cowen and Company

Bind's Accurin technology aims to pick up where earlier formulations left off, and potentially advance the field of particle-based drug delivery by leaps and bounds. Accurins are carefully designed and highly engineered drug-filled nanospheres that seek to greatly improve upon the tissue and cell selectivity of parent drugs. They consist of a PEG-based outer layer (for drug encapsulation and biocompatability), filled with active drug substance, including a polymer that allows for programmable release. Accurins also feature a targeting ligand on their external surface that facilitates trafficking toward a molecular ligand on the outside of a cell. Essentially all of the features of an Accurin (its content, size, release characteristics, targeting ligands) can be manipulated producing an almost endless number of Accurins with different and potentially advantageous pharmaceutical properties. While Accurins could potentially address multiple different drug development challenges across many different disease states, Bind and its partners have initially chosen to pursue oncology indications in an effort to improve upon the therapeutic window of both approved and unapproved small molecules anti-cancer drugs.

BIND-014 Aims For Superiority Over Docetaxel

Lead candidate BIND-014 is an Accurin-based formulation of docetaxel, one of the most commonly used anti-cancer agents. Prior to going generic in 2010, docetaxel (Taxotere, Sanofi) garnered worldwide sales in excess of $3B, and it is estimated that 100,000 patients are treated with generic docetaxel each year in the U.S. BIND-014 seeks to improve upon the selectivity of docetaxel in three ways: (1) BIND-014's size leads to preferential uptake within the "leaky" capillaries of tumors; (2) a targeting ligand on its surface directs BIND-014 to cancerous cells and tissues that overexpress prostate specific membrane antigen (PSMA); and (3) BIND-014 releases its docetaxel payload slowly, typically only after reaching its targeted location (the tumor). Phase I data indicate that BIND-014 is active and has different pharmaceutical properties than docetaxel. Bind Therapeutics is aiming to eventually demonstrate that BIND-014 is superior to docetaxel in head-to-head trials. The company is conducting Phase II trials of BIND-014 in prostate cancer and lung cancer. Although these trials are uncontrolled, they are designed to provide evidence of BIND-014's potential superiority to docetaxel in terms of response rates and progression free survival, and we are optimistic that this will be the case. Both trials are expected to read out in H2:14.

Bind Therapeutics owns worldwide rights to BIND-014 and would likely market the drug on its own in the U.S. Should BIND-014 demonstrate superior PFS and/or OS to docetaxel in multiple tumor types, we believe the drug would have >$1B market potential. While any

estimate of BIND-014's value should be risk adjusted for success, even lower probability scenarios suggest the asset could be very valuable to BIND.

NPV-Based Assessment of BIND-014's Value

Probability Of Success	Net Present Value To BIND
10%	$8/share
25%	$19/share
40%	$30/share
50%	$38/share
60%	$45/share
75%	$56/share
90%	$68/share

Note: Assumes peak sales of $1B in 2028, an 8% discount rate, and -5% terminal growth rate

Multiple Partners Have Bought Into Accurins

The versatility of Bind's Accurins allows them to function as a true technology platform that is too broad for a single, small biotech company to take full advantage of. Bind has signed collaborations with Amgen, AstraZeneca, and Pfizer that provide validation of the technology, advance the reach of Accurins, and are associated with favorable economics to Bind. As these licensing arrangements require very limited support or investment on BIND's part, and include essentially no IP dilution (partners bring the payload molecules), we would expect Bind to pursue similar deals over time.

Under the basic structure of the three collaborations, partners bring novel agents to Bind for incorporation into an Accurin scaffold. Bind receives an upfront payment of $4-5MM and performs the initial manufacturing at the partner's expense. Bind's partner is also responsible for all subsequent R&D costs and owes Bind milestones and tiered (typically mid- to high-single digit) royalties assuming success. The collaborations with Amgen, AstraZeneca, and Pfizer provide for potential pre-commercial milestones of >$450MM to Bind. At present all three collaborations feature Accurins that are at the pre-commercial stage of development.

Bind Therapeutics' R&D Pipeline

Therapeutic Class/Product	Indication	P-C	I	II	III	FILING	MKT	Comments
Oncology								
BIND-014	Lung cancer			•				Phase II data anticipated in H2:14, Q3W and Q1W dosing
BIND-014	Prostate cancer			•				Phase II data anticipated in H2:14, Q3W and Q1W dosing
Undisclosed Accurin #2	Solid Tumors	•						Lead candidate to be selected in Q1:14
Undisclosed Accurin #3	Hematologic Tumors	•						Lead candidate to be selected in Q4:14
Collaborative compounds	undisclosed	•						With partners AMGN, AZN, and PFE, potential IND in 2014
Total Drugs In Development		**3**	**0**	**2**	**0**	**0**	**0**	
Cambridge, MA	**Investor Relations Contact: Andrew Hirsch (617) 491-3400**							

Source: Company reports

BIND Shares Look Attractively Valued

Bind completed a $70.5MM IPO in September, and has estimated cash on hand of approximately $80-90MM as of the end of Q3. With a burn rate of $35-40MM, the company is financed well into 2015 and through the following milestones.

Upcoming BIND Milestones

Event	Timing
Phase I data from once weekly arm of BIND-014 trial	YE:13
Candidate selection for internally-developed Accurin #2	Q1:14
Candidate selection for internally-developed Accurin #3	Q4:14
Achieve multiple pre-clinical partnership milestones	2014
Top-line Phase II data on BIND-014 in lung cancer	Late 2014
Top-line Phase II data on BIND-014 in prostate cancer	Late 2014
First IND on partnered Accurin	Late 2014

Source: Cowen and Company

BIND's market cap and enterprise value are roughly $240MM and $160MM, respectively. Given the company features a proprietary and differentiated platform technology (Accurins), a wholly owned Phase II cancer candidate (BIND-014), multiple partnerships (AMGN, AZN, PFE), a renewable pipeline, and a highly skilled and experienced management team, we view this valuation as far too modest. In fact, in our view BIND-014 alone might be worth $25/share inclusive of a fairly conservative 15% discount rate to account for its risk profile. Our sum-of-the-parts analysis suggests shares may be 100% undervalued inclusive of the value of BIND-014 and Bind's cash, and ascribing no value to its Accurin platform, corporate collaborations, or other pipeline programs.

BIND Sum-Of-The-Parts Valuation

Asset	Value/share
NPV of BIND-014	$25
Net cash/share	$5
Accurin platform	$0
Other (collaborations, early stage pipeline programs)	$0
Total	**$30**

Source: Cowen and Company

Estimated NPV Of BIND-014

Financial Year End	12/31/2012
Valuation Date	10/14/2013
Discount Rate	**15.0%**
Perpetual Growth Rate	**-5.0%**

BIND Therapeutics NPV

Valuation Date: Monday, October 14, 2013

$MM	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
BIND-014 NSCLC U.S. Sales							50	150	250	375	450	500	550	575	600	625
Growth (%)								*200%*	*67%*	*50%*	*20%*	*11%*	*10%*	*5%*	*4%*	*4%*
BIND-014 CRPC U.S. Sales								25	85	120	160	190	220	230	245	250
Growth (%)									*240%*	*41%*	*33%*	*19%*	*16%*	*5%*	*7%*	*2%*
Total Revenue	0	0	0	0	0	0	50	175	335	495	610	690	770	805	845	875
									91%	*48%*	*23%*	*13%*	*12%*	*5%*	*5%*	*4%*
COGS	0	0	0	0	0	0	10	32	50	74	92	104	116	121	127	131
COGS as a % of total sales							*20%*	*18%*	*15%*	*15%*	*15%*	*15%*	*15%*	*15%*	*15%*	*15%*
R&D	25	33	46	56	60	64	50	32	27	25	24	21	15	16	8	9
R&D as a % of Revenues							*100%*	*18%*	*8%*	*5%*	*4%*	*3%*	*2%*	*2%*	*1%*	*1%*
SG&A	9	8	10	11	13	16	75	88	101	109	122	131	139	137	144	149
SG&A as a % of Revenues							*150%*	*50%*	*30%*	*22%*	*20%*	*19%*	*18%*	*17%*	*17%*	*17%*
Operating Income	(34)	(42)	(56)	(67)	(73)	(80)	(85)	25	157	287	372	435	501	531	566	586
Operating Margin									*47%*	*58%*	*61%*	*63%*	*65%*	*66%*	*67%*	*67%*
BIND-014 Royalties							0	6	25	44	63	81	99	118	126	133
Tax	0	0	0	0	0	0	0	2	9	17	22	103	210	227	242	252
Tax rate	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*5%*	*5%*	*5%*	*5%*	*20%*	*35%*	*35%*	*35%*	*35%*
Approx Free Cash Flow	(34)	(42)	(56)	(67)	(73)	(80)	(85)	23	148	271	350	332	291	304	324	334
Years	0.21	1.21	2.21	3.21	4.21	5.21	6.21	7.21	8.21	9.21	10.21	11.21	12.21	13.21	14.21	15.21
Discount Factor	0.97	0.84	0.73	0.64	0.56	0.48	0.42	0.37	0.32	0.28	0.24	0.21	0.18	0.16	0.14	0.12
NPV of Cash flows	(33)	(35)	(41)	(43)	(40)	(39)	(36)	8	47	75	84	69	53	48	44	40

Terminal Value Calculation

Final year FCF	334
Perpetual Growth Rate	-5.0%
Terminal Value	**1,589**
Discount Factor	0.12
Present Value of Terminal Value	**190**
Present Value of Cash Flows	**218**
Enterprise Value	**408**
Market Value	**408**
Fully Diluted Shares Outstanding	16.2
Value per Fully Diluted Share	**$25.19**

Source: Cowen and Company

What Are Accurins?

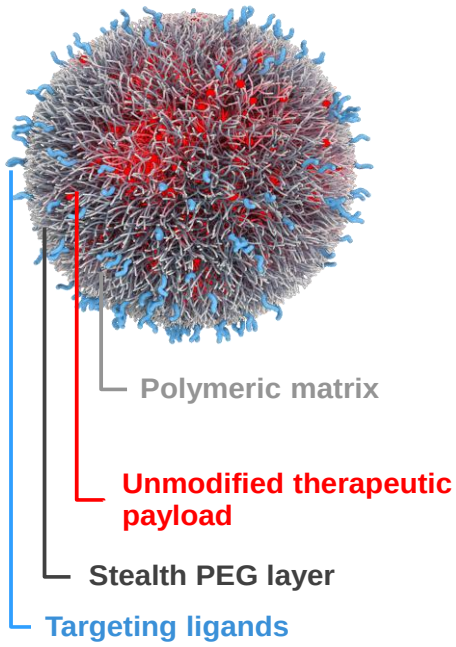
Accurins are a spherical complex of molecules designed to encapsulate and deliver large quantities of therapeutic agents to the cells of interest while excluding them from unintended tissues. To accomplish this Accurins consist of three elements:

1) An active molecule contained within the Accurin core. Typically a small molecule, peptide, protein, or nucleic acid-based therapeutic agent. Molecules of up to a molecular weight of 1000 Da have been reduced to practice. Bind is initially employing agents that are approved or failed in late stage trials due to known issues. Such agents are non-covalently incorporated into the Accurin which allows them to freely exit the Accurin upon delivery to the target.

2) A copolymer shell that non-covalently encapsulates the free drug. This shell enables some degree of tissue targeting and is also responsible for extending circulation times. The circumference of the sphere helps exclude Accurins from undesirable locations in the body. In addition, this layer is engineered to control the rate of release of the therapeutic agent. Finally, the external face of this surface consists of PEG, which helps mask the Accurin and its contents from immune/metabolic clearance.

3) A small molecule or peptide targeting ligand covalently attached to the PEG layer of the Accurin. This ligand directs the accumulation of Accurins to the desired cellular targets, thereby promoting a more precise level of targeting.

Accurin Structure

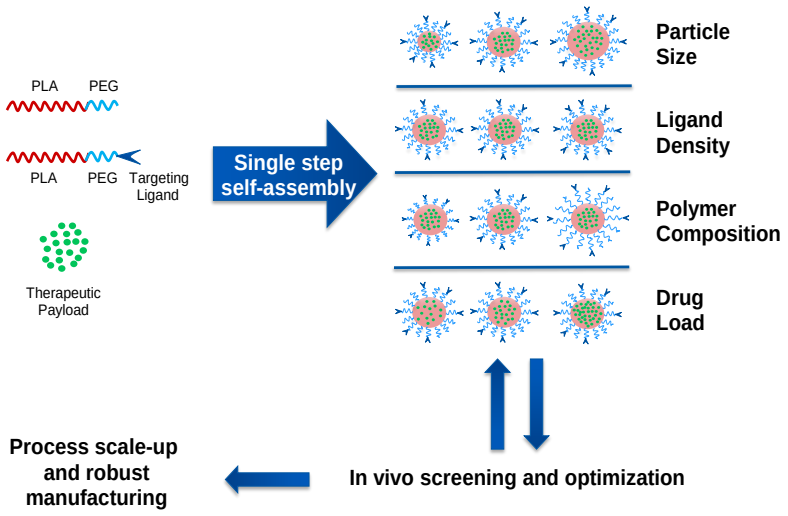


Source: Bind Therapeutics

Conceptually, Accurins function much like an antibody:drug conjugate. They preferentially deliver a therapeutic payload to the cells of greatest interest. Unlike antibodies which are covalently bonded to 1-5 molecules of a therapeutic payload, Accurins can deliver 10^3-10^4 molecules to a target site. Given antibodies' small payload capacity only highly toxic chemicals are suitable for conjugation. Accurin's are capable of containing a wide range of therapeutic payloads including small molecules, peptides, proteins and nucleic acids in their core which opens up a broader range of agents for Accurin use. Through a single step emulsification/self-assembly process these payloads are contained inside an approximately 100nm radius spherical copolymer matrix of PLA and PEG. It is important to note that this process does not involve covalent modification of the payload. Therefore, the FDA has informed Bind that it can utilize the 505(b)2 pathway when working with previously approved payloads. This pathway allows Bind to reference existing preclinical studies and therefore reduces preclinical study requirements and the time spent between Accurin candidate identification and the clinic. The copolymer also serves as a scaffold upon which targeting ligands can be covalently attached to the PEG outer layer using relatively simple chemistry. At present Bind is using small molecules and peptides for targeting ligands although larger ligands such as proteins are envisioned.

Accurin Assembly

Precisely and systematically varied Accurins to achieve desired biological effects



Source: Bind Therapeutics

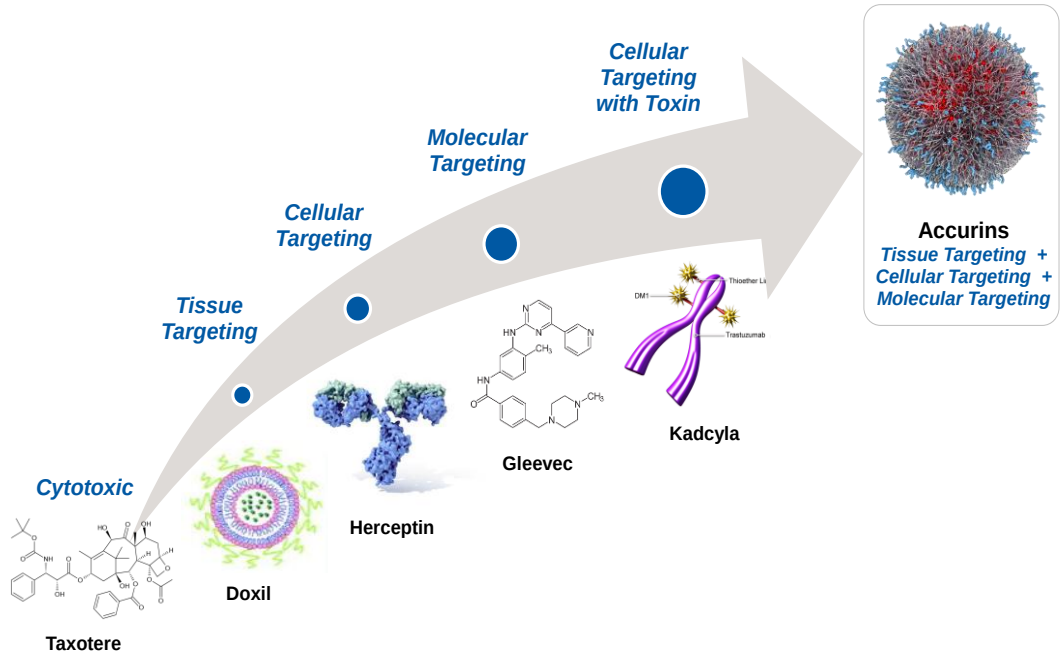
Accurins are highly stable with a shelf life of years in a lyophilized or frozen state. However, body temperature "activates" the Accurin causing the copolymer matrix to relax, allowing the payload to slowly diffuse out of the Accurin. Small changes in the engineering of the Accurin's assembly conditions can alter the diffusion rate, drug load, particle size, targeting efficiency, and other parameters allowing Bind to optimize each Accurin to the desired properties for an application. This optimization procedure also allows for the use of payloads as large as 1000MW and a range of hydrophobicities. Following in-house optimization of the payload:copolymer:targeting molecule assembly conditions, the self-assembly and purification processes can easily be scaled up and/or transferred to partner manufacturers.

Once an Accurin has been optimized it is subject to several layers of intellectual property protection. Bind holds 15 issued US patents (lasting until 2030) and 50+ patent applications (lasting until 2034) that cover the polymer matrix, targeting ligands, and aspects of the assembly process. In addition, each combination of payload:polymer:targeting ligand represents a new patentable composition of matter. Lastly, Bind also maintains a number of trade secrets surrounding the manufacturing processes. Small changes in the copolymer:payload assembly conditions result in complexes with differences in size and payload diffusion rates. Since both of these are key factors in the clinical efficacy of an Accurin this should present a significant hurdle to the development of generic versions of Accurins.

How Do Accurins Work?

Small molecules utilize simple diffusion to reach their target. During this diffusion process a small molecule can find its way into multiple organs, tissues, and cells. Instead of relying upon simple diffusion, Accurins place therapeutic payloads inside a copolymer matrix which is then targeted to specific locations within the body. The copolymer serves multiple functions in pursuit of this goal. First, the PLA entraps the therapeutic agent slowing its diffusion to cells the complex passes as it moves towards the target tissue. Under current formulations, approximately 90% of the therapeutic payload present within the serum is encapsulated. Therefore, packaging a drug inside an Accurin should greatly reduce systemic exposure to the drug. Second, the polyethylene glycol protects the complex from many immune detection/clearance mechanisms. This helps to increase the half-life of many payloads. Third, the copolymer gives the complex bulk; this increase in size relative to free small molecules restricts the complex from exiting the bloodstream at sites which are not experiencing inflammation. Sites with “leaky vasculature” (e.g. tumors) witness preferential uptake. Similarly, off-target tissues should be exposed to less drug when Accurins are used. Finally, the copolymer serves as a scaffold upon which targeting ligands can be covalently attached. These targeting ligands provide molecular-level specificity, and allow Accurins to locate the “bull’s-eye,” a specific cellular subset within the body. Not only does the targeting molecule help the Accurin traffic toward target cells, but it also helps maintain the Accurin’s presence in these cells’ microenvironment as the therapeutic payload slowly leaks out of the Accurin matrix and exerts its effect upon the targeted cells/tissue. Consequently, Bind’s Accurin platform combines the tissue targeting of liposome encapsulation, the cellular specificity of antibodies, and the pathway specific mechanism of actions of small molecules into single highly specific therapies. This is a unique combination which holds much promise for the generation of novel therapeutics.

Accurin Targeting Mechanisms



Source: Bind Therapeutics

What Are the Potential Advantages of Accurins?

When developing an Accurin in oncology the goal is to:

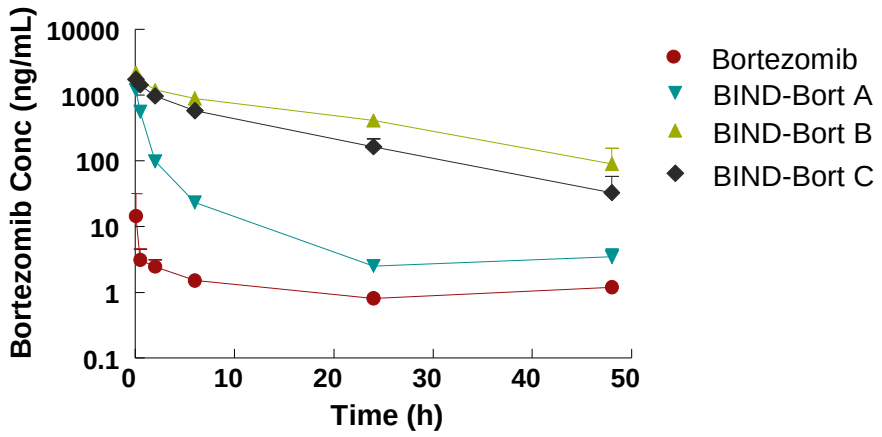
1) Alter the payload's pharmacokinetics to increase the duration of tumor exposure

2) Alter the payload's tissue distribution to selectively target affected cells

Both of these factors should combine to improve a compound's efficacy and/or side effect profile, thereby improving its therapeutic window. In animal studies, Bind has demonstrated this concept with Accurin versions of bortezomib.

As a stand-alone agent bortezomib (Velcade) is rapidly cleared following IV administration and therefore is only effective in blood cancers such as multiple myeloma and mantle cell lymphoma, and not effective in solid tumors. Bind has shown that Accurin technology can improve the pharmacokinetics of bortezomib and maintain circulating concentrations at 50hrs above that achievable with free bortezomib at 10 hours.

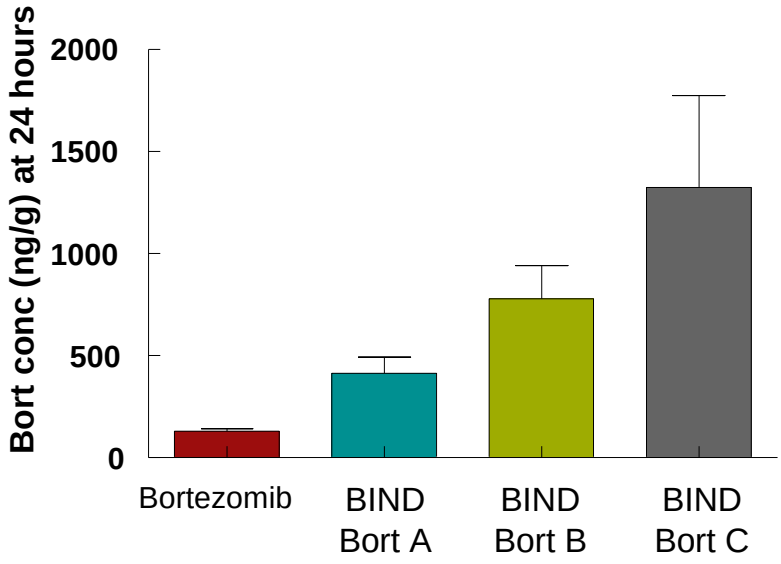
Bortezomib Pharmacokinetics (Rats)



Source: Bind Therapeutics

By changing a drug's pharmacokinetic profile, Bind can manipulate drug exposure to various tissues. Bind has also shown that Accurin formulations of bortezomib can accumulate in tumors whereas free bortezomib does not.

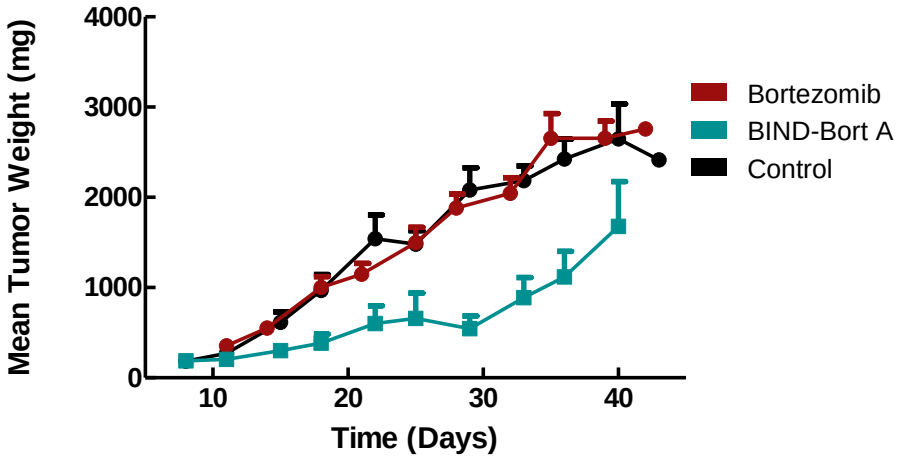
Bortezomib Tumor Concentrations in a Mouse Solid Tumor Model



Source: Bind Therapeutics

Once in the tissue, bortezomib is capable of acting on solid tumor cells just as it does with blood cancer cells. Bind has shown that following treatment with a bortezomib Accurin mice have reduced solid tumor burdens compared to either placebo or stand-alone bortezomib.

Bortezomib Efficacy in a Mouse Solid Tumor Model

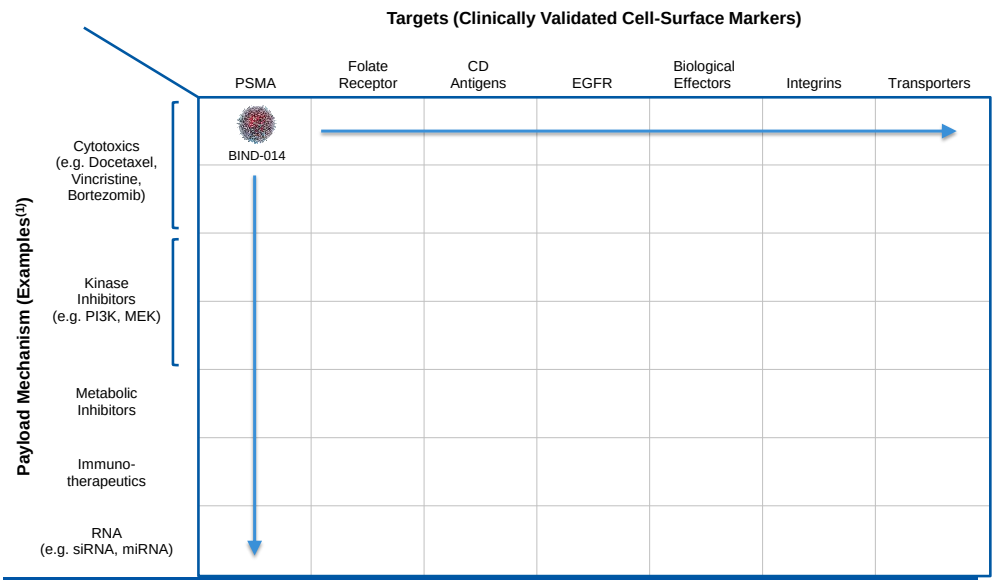


Source: Bind Therapeutics

How is Bind Applying Accurin Technology?

Through the serial pairings of different therapeutic payloads with different targeting ligands the Accurin platform could allow for the rapid identification of numerous candidate products. First, a single encapsulated payload can be developed for a variety of diseases by swapping out targeting molecules. Second, established targeting molecules can be combined with numerous payloads to attack different diseases of the same tissue or a single disease from multiple angles. Therapeutic payloads can represent either generic molecules or proprietary compounds accessed via partnerships with innovator companies.

Accurin Modularity Allows Rapid Pipeline Expansion



Source: Bind Therapeutics

In developing new Accurin candidates Bind's management has deployed a three step checklist. First, Bind selects oncology agents with demonstrated activity against a range of cancer cells. Second, Bind identifies potential targeting ligands by prioritizing tumor markers that have been well validated. These include markers with numerous clinical observations of association on cancerous cells, or markers that have been previously addressed by therapeutic antibodies and/or antibody drug conjugates. Finally, management must be able to envision several possible products utilizing the new payload and/or target before devoting the time and expense of optimizing an Accurin.

While the Accurin platform has broad applicability, Bind is initially focusing on developing small molecule chemotherapeutic payloads which are either approved yet feature potentially sub-optimal profiles, or later stage candidates which have demonstrated a subpar therapeutic index. By starting with approved and/or late stage compounds Bind is able to minimize the payload-risk of Accurins, and focus on demonstrating their potential to improve efficacy. As the pipeline matures, management plans to take on more innovative/riskier payloads.

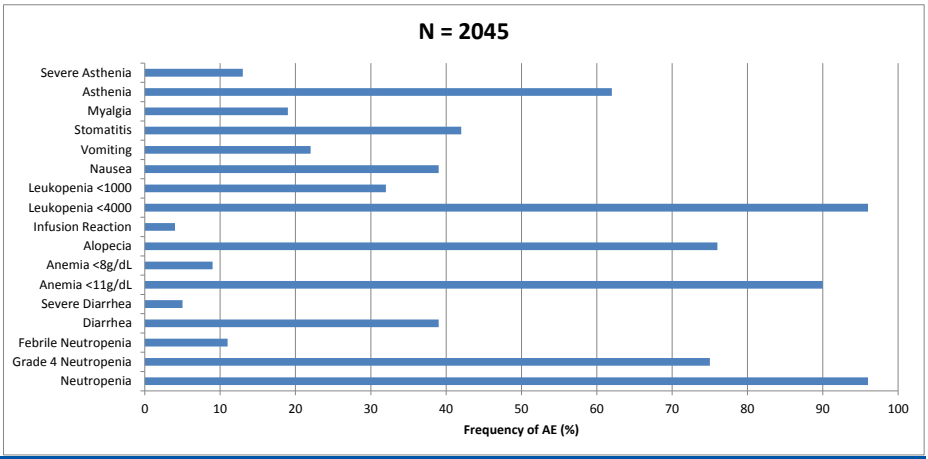
BIND-014 Looks to Take Docetaxel to the Next Level

BIND-014, Bind's lead proprietary clinical candidate, is an Accurin consisting of a docetaxel (Taxotere) payload targeted to prostate-specific membrane antigen (PSMA) expressing cells via an anti-PSMA aptamer. BIND-014 has completed Phase I trials where it was shown to be generally safe and well-tolerated, and to display promising signs of anti-tumor activity in a number of tumor types. Bind has begun Phase II trials with this candidate in non-small cell lung cancer (NSCLC) and metastatic castrate resistant prostate cancer (mCRPC) with data readouts beginning in H2:14. Bind's goal for BIND-014 is not just a "me too" version of Taxotere, but rather a superior version of Taxotere from an efficacy and possibly also a side-effect standpoint. Prior to losing Taxotere exclusivity in November 2010, Sanofi achieved more than $3B in annual worldwide sales for the brand. In addition, at generic launch the brand was still expanding into new patient populations. Today, docetaxel remains a standard chemotherapy for numerous cancers.

Docetaxel Was Successful, But Has Some Shortcomings

Docetaxel is an anti-mitotic chemotherapy which is usually infused once every three weeks (Q3W). Once in the body, docetaxel binds tubulin, causing the stabilization of microtubules. This leads to prevention of the assembly of the mitotic spindle, mitotic blockade between metaphase and anaphase, and ultimately the triggering of apoptosis. As cancerous cells undergo mitosis more frequently than most healthy cells apoptosis preferentially occurs in the cancerous cells. Nonetheless, apoptosis does occur in some healthy cells following docetaxel administration. Therefore, dosing must balance efficacy and side-effects. At optimized doses docetaxel is plagued by significant levels of adverse events.

Frequency of Selected Docetaxel Adverse Events



Source: Cowen and Company, Taxotere label

Greater than 90% of docetaxel treated patients experience at least mild neutropenia and/or leukopenia, with 75% experiencing severe neutropenia. Similarly 62% of patients experience fatigue with 13% exhibiting severe fatigue. While not a major health concern, one of the most obvious signs of chemotherapy, alopecia, is experienced by 76% of docetaxel patients. As is typical in many aggressive cancers (e.g. NSCLC) these side-effects are tolerated in return for median survival benefits as low as a few months.

Docetaxel Efficacy as a Single Agent in Solid Tumors

Disease	Response Rate (%)	PFS (or TTP) (mo)	OS (mo)
NSCLC (2nd line)	5-9	3	6-8
CRPC	45-65 (PSA resp)	6-8	18-22
Breast (1st line met)	30-60	6	15
Bladder (2nd line)	13	5	9
Cervix (2nd line)	0-21	2-3	6-7
Ovary (2nd line)	20-25	5	10
Biliary (1st-2nd line)	0-20	4-6	8
Gastric (2nd line)	14	2.6	7
Head & Neck (2nd line)	27-43	5-6.5	12

Source: Bind Therapeutics

Bind seeks to change this dynamic by preferentially directing docetaxel to tumor sites thereby simultaneously decreasing docetaxel exposure at healthy tissues, and increasing the concentration of docetaxel within the tumor. BIND-014's copolymer formulation and PSMA-targeting ligand are designed to achieve this goal. The copolymer capsule regulates its release and protects the complex from metabolic/immune clearance. In addition, the particle's size

should allow it to preferentially exit the bloodstream at sites with leaky vasculature (tumors). The PSMA specific aptamer on BIND-014's surface is responsible for producing additional tumor specificity compared to free docetaxel. PSMA is absent in most tissues, but is expressed in the prostate as well as neovasculature. Vasculogenesis is a hallmark of tumors which is exploited by a number of anti-cancer agents including Avastin. Therefore PSMA should give BIND-014 targeting capabilities for a range of tumors and limit its accumulation in non-targeted tissues.

PSMA Expression in Normal Tissues

Tissue	PSMA
Genitourinary organs	
Kidney	
Glomeruli	–
Tubules	+
Bladder	
Transitional epithelium	–
Smooth muscle	–
Prostate	
Epithelium	+
Stroma	–
Testis	–
Cervix	–
Breast	–
Digestive system	
Parotid	–
Stomach	–
Duodenum	+
Ileum	–
Colon	+
Liver	–
Pancreas	–
Hematological system	
Lymph node	–
Bone marrow	–
Skin	–
Skeletal muscle	–
Endocrine organs	
Thyroid	–
Adrenal	
Cortex	–
Medulla	–
Pancreatic islets	–
Nervous system	
Frontal cortex	–
Cerebellum	–
Eye	–
Peripheral ganglion	–

Source: Silver DA, et.al. Clin. Cancer Res. 1997

PSMA Expression in Tumors

Tumor	Patients expressing PSMA			
	Tumor Cells		Tumor Vasculature	
Prostate	184/184	(100%)	2/12	(17%)
Breast	0/6	(0%)	5/6	(83%)
Colorectal	0/130	(0%)	110/130	(85%)
Renal cell	0/75	(0%)	67/75	(89%)
Bladder	8/167	(5%)	166/167	(99%)
Gastric	0/119	(0%)	79/119	(66%)
Melanoma	0/5	(0%)	5/5	(100%)
Pancreatic duct	0/4	(0%)	4/4	(100%)
NSCLC	0/5	(0%)	5/5	(100%)

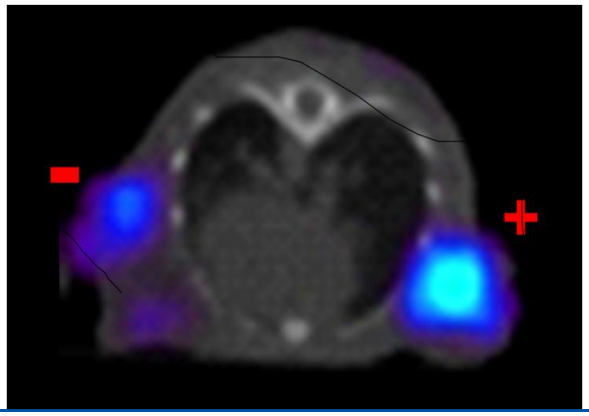
Source: Bind Therapeutics

Bind has done much work to optimize BIND-014. The composition, manufacturing, and use of a docetaxel containing Accurin targeted to PSMA expressing cells is protected by 8 issued US patents, 1 issued EU patent, and 19 additional pending applications. The issued patents expire between 2025 and 2030. In addition, it is possible that Bind's trade secrets surrounding Accurin assembly could further prolong BIND-014's exclusivity.

Pre-Clinical Data Support Superiority Over Docetaxel

BIND-014 has gained validation from a mouse model of prostate tumors. First, mice were simultaneously given two prostate cancer xenographs. One xenograph expressed PSMA while the other did not. Subsequent to engraftment, the mice were treated with BIND-014. As expected, BIND-014 (bright spots in the below picture) preferentially accumulated in the PSMA expressing xenograft ("+" side vs. "-" side of below picture).

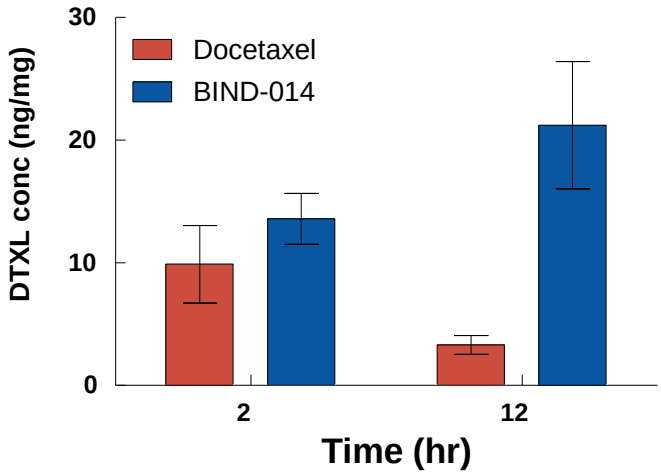
BIND-014 Trafficking to PSMA +/- Xenografts



Source: Bind Therapeutics

BIND-014's ability to accumulate in PSMA expressing tumors would be expected to confer a reduction in systemic side-effects, but in theory might not be associated with improved efficacy. In order to demonstrate improved efficacy, one must show increased concentrations of drug within the tumor. Using the LNCaP mouse model of prostate cancer, Bind has also demonstrated that identical administered doses of docetaxel resulted in a 7X increase in docetaxel concentration at the tumor when given within the context of an Accurin versus free docetaxel.

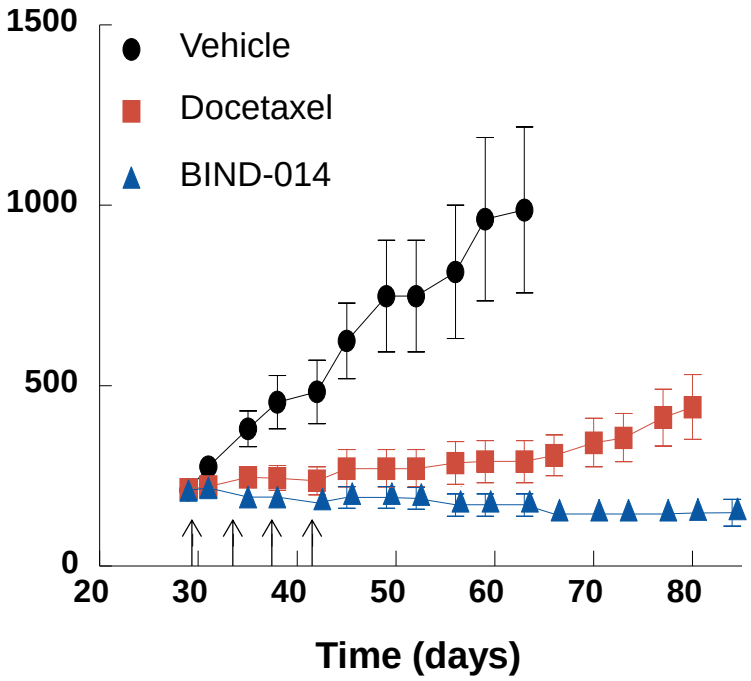
BIND-014 Delivers More Docetaxel to the LNCaP Tumor



Source: Bind Therapeutics

Since it is possible that free docetaxel was already deliverable at its maximally effective dose, Bind was also interested in demonstrating that an increase in tumor concentration exerted a superior anti-tumor effect. For this Bind again utilized the LNCaP mouse model. Following engraftment, mice were treated with placebo, docetaxel, or BIND-014. Tumor burden was then serially assessed; revealing that BIND-014 treated mice displayed better anti-tumor activity.

BIND-014 Controls Tumor Volume Better than Docetaxel in Mice

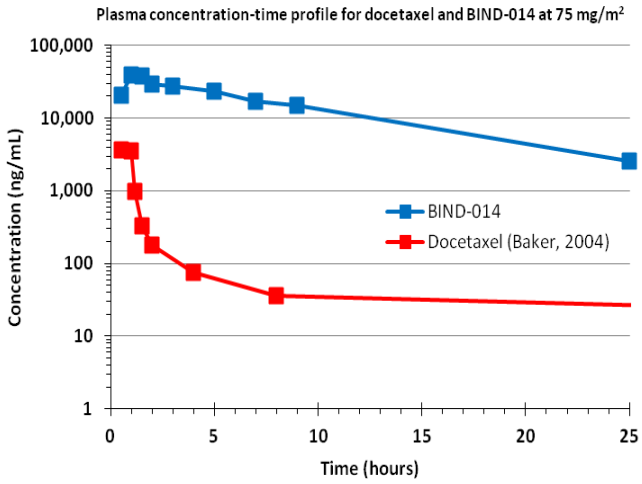


Source: Bind Therapeutics

Phase I Results Provide Further Evidence of Differentiation

Having demonstrated superior efficacy in an animal model, Bind moved BIND-014 into the clinic in 2011. The initial Phase I trial design was a Q3W dose escalation study beginning at 3.5mg/m^2 and rising to 75mg/m^2 of BIND-014. As is the case with docetaxel, pretreatment with 50mg of diphenhydramine, 20mg of dexamethasone, and 50mg of ranitidine was included. BIND-014 was administered as a 60 minute IV infusion to patients with refractory solid tumors. The primary objective of the trial was to establish the maximum tolerated dose (MTD), dose limiting toxicity (DLT), and observe the safety and tolerability at these doses. Secondary objectives included PK measurements and preliminary signals of efficacy. 28 patients were successfully dosed and an MTD was declared at 60mg/m^2. Docetaxel's MTD during Q3W dosing is 75mg/m^2. It is unclear why BIND-014 has a lower MTD, but it may relate to extended exposure to docetaxel due its prolonged half-life. Docetaxel has been shown to be rapidly cleared from the plasma. Unlike docetaxel, BIND-014 was maintained within one log of the peak concentration for greater than 10 hours. At AACR 2013, this was reported to translate into a clearance rate of 0.29 L/h/m^2 versus 21 L/h/m^2 for docetaxel.

BIND-014 Pharmacokinetics (Human)



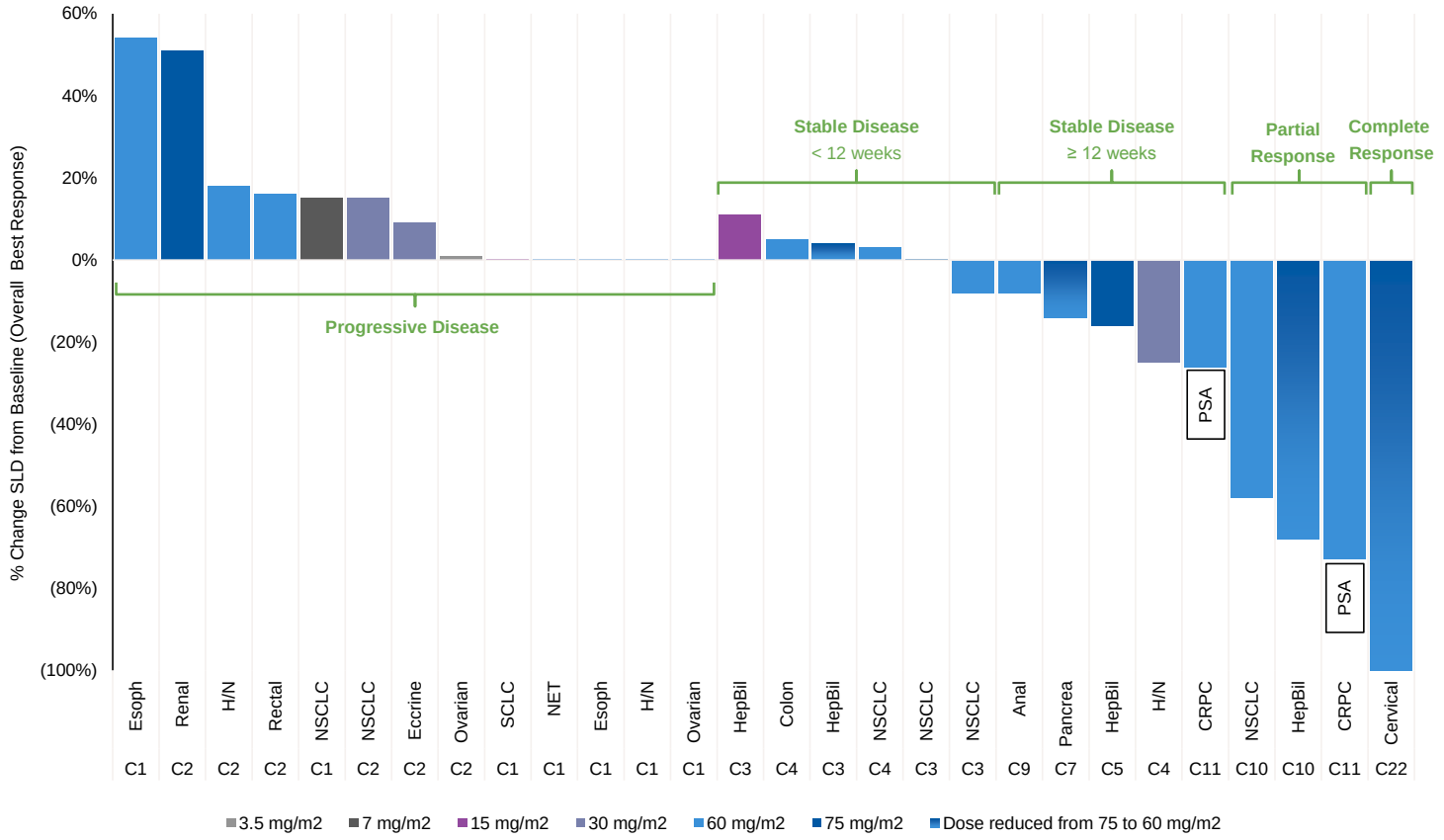
Source: Bind Therapeutics

As expected given docetaxel's clinical history, the dose-limiting toxicity for BIND-014 was neutropenia. At the MTD of 60mg/m^2, 53% of patients experienced grade 3 or 4 neutropenia (<1000 cells/mm^3) and no patients experienced febrile neutropenia. According to the Taxotere label, docetaxel treatment at the MTD of 75mg/m^2 has been shown to cause grade 4 neutropenia in 75% and febrile neutropenia in 11% of patients. This does not appear to be a meaningful difference in neutropenia. Conversely, 25% of BIND-014 treated patients suffered from fatigue (4% ≥ grade 3) compared to the historically observed 62% (13% severe) with docetaxel treatment. A physician consultant notes that while neutropenia is the official DLT for docetaxel it is manageable in practice. As a result, in the commercial setting fatigue is the greatest limiting barrier to patients staying on docetaxel treatment. Therefore, it is promising that despite a similar neutropenia profile BIND-014 appears to improve upon a critical toxicity. In addition, BIND-014 may also reduce the incidence of alopecia. This AE was witnessed in just 14% of Phase I patients while free docetaxel's label shows that this occurs in 76% of patients. However, reducing docetaxel's side-effects is only Bind's secondary goal for BIND-014. Rather, management hopes to also improve docetaxel's efficacy.

Since the PSMA marker is found in and around many tumor types the Phase I trial enrolled a variety of cancer patients. This variety has provided Bind with a number of positive leads for the further development of BIND-014. Most intriguing are non-small cell lung cancer, castrate resistant prostate cancer, and cervical cancer findings. One of six NSCLC patients experienced a partial response while three NSCLC patients stabilized temporarily but then progressed within 12 weeks. Historical data suggests docetaxel would produce a median progression free survival of 3 months in the NSCLC patients. A partial response was also observed in one of two CRPC patients while the other CRPC patient experienced disease stabilization for ≥12 weeks. Historical data suggests docetaxel would produce a median progression free survival of 6-8 months in the CRPC patients. In the one cervical cancer patient treated with BIND-014, a complete response was observed. Interestingly, free docetaxel is generally considered to be ineffective in cervical cancer with response rates as

low as 0% reported. The cervical cancer patient would have been expected to live just 6-7 months, yet this complete response lasted >17 months. Based upon the establishment of an MTD and observation of promising efficacy signals within the Q3W arm of the Phase I trial Bind initiated two Phase II trials. One trial is examining BIND-014 in NSCLC while the other is in patients with mCRPC.

BIND-014 Phase I Efficacy Signal



Source: Bind Therapeutics

Docetaxel is generally dosed every three weeks, but it can also be dosed weekly with a one week break every 5 weeks. Bind has expanded the Phase I trial to also test a weekly dosing strategy. In this new study arm patients are being dosed once a week for three weeks followed by a one week break. For this trial BIND-014 is being dosed at 15mg/m^2 up to 45mg/m^2. Management reports that this arm has entered the 45mg/m^2 dosing step, where two dose limiting toxicities have been observed. MTD has not yet been declared but it appears that it will be on the order of 40mg/m^2. Weekly administration of 40mg/m^2 of BIND-014 would represent an approximate 20% increase in average weekly docetaxel delivery compared to the Q1W or Q3W administration of free docetaxel. As a result, if safety is maintained this dosing strategy represents a superior opportunity to increase efficacy relative to free docetaxel. Management expects this to occur and plans to advance the weekly dosing strategy to Phase II trials in

addition to the Q3W approach. Final data from the Phase I weekly dosing trial is expected in Q4:13.

BIND-014 Pharmacokinetics (Human)

	Free Docetaxel		BIND-014	
	Q3W	Q1W	Q3W	Q1W
Dose (mg/m2)	75	30	60	40
Doses/cycle	1	5	1	3
Weeks/cycle	3	6	3	4
Avg. dose/week (mg/m2)	25	25	20	30

Source: Cowen and Company, Taxotere label

Non-Small Cell Lung Cancer

According to the National Cancer Institute, approximately 136,000 patients die from NSCLC annually making it the number one cause of cancer deaths in the United States. There are approximately 160,000 NSCLC patients diagnosed in the US each year. Of these roughly 137,000 patients are classified as having locally advanced or metastatic disease. First line therapy consists of a chemotherapy doublet plus Avastin for Avastin eligible patients (50-60%). For non-squamous NSCLC Alimta plus a platinum agent (cisplatin or carboplatin) is the standard of care. For squamous cell NSCLC patients standard of care consists of platinum based treatments plus gemcitabine, vinorelbin, or a taxane. Consultants note that 50-70% of patients will receive second-line therapy, and 25-35% receive a third-line therapy. Refractory patients receive chemotherapy (any drug not included in earlier therapy) or Tarceva. Docetaxel generates response rates ranging from 5-9% with a corresponding progression free survival of just 3 months and an overall survival of 6-8 months. Across the board treatment outcomes are poor with five-year survival rates for NSCLC patients around 15%. As a result, NSCLC is a disease with tremendous unmet medical need.

Based upon docetaxel's accepted use and promising Phase I efficacy data in this indication, Bind initiated a Phase II open label trial in Q2:13. This trial aims to enroll 40 patients with late stage NSCLC who have failed one prior platinum-containing treatment regimen. Patients are being dosed at 60mg/m^2 Q3W. However, pending the outcome of the Phase I Q1W study a second arm is likely to be added to the trial to continue development of the Q1W strategy. The primary endpoint in this trial is objective response rate (ORR). Secondary endpoints will include progression free survival, overall survival, and safety. In addition, management plans to perform a prospective analysis of KRAS mutants within this study population. Finally, samples will be taken to assess PSMA expression as a patient selection marker. Data from this trial are expected in H2:14. Previous clinical trials indicate that docetaxel produces ORRs between 5 and 9% in this disease. Given the high treatment failure rate in this disease generally and docetaxel's significant use despite single digit response rates, we believe an ORR >15% would indicate potential for meaningful commercial success and warrant progression of BIND-014 into Phase III trials.

Metastatic Castrate Resistant Prostate Cancer

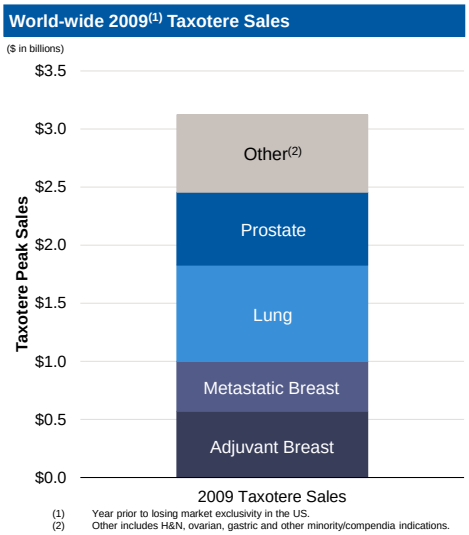
Prostate cancer is the most prevalent cancer among males in the United States. In 2010, 2.6MM American men were estimated to be living with the disease. Unlike NSCLC, most of these patients have a good prognosis. Treatment with surgery or radiation is recommended for locally advanced prostate cancer, and cures can often be achieved if disease is detected in its initial stages. However, up to 25% of patients will relapse, and prognosis for these patients becomes less clear. Patients with symptomatic or metastatic disease are usually treated with androgen-deprivation therapy. This approach may be effective in controlling disease for several years, but prostate cancer eventually develops resistance to hormone therapy (castrate resistant prostate cancer or CRPC). Patients with CRPC are treated with second or third-line hormonal agents or chemotherapy. Based upon mortality figures we estimate approximately 30,000 patients per year progress to metastatic disease (mCRPC), about 40-50% of whom receive chemotherapy. Docetaxel is the primary agent prescribed to this group. This chemotherapy generates a PSA response in 45-48% of patients, progression free survival of 6-8 months, and an overall survival of 18-22 months.

BIND-014 is intended to significantly improve upon docetaxel, and showed a partial response and stable disease in the two Phase I CRPC patients treated. Bind initiated a Phase II open label trial in mCRPC during the second quarter of 2013. This trial will enroll 40 chemotherapy naïve mCRPC patients. While patients will not have seen chemotherapy, they will be allowed to have used unlimited hormonal therapies including the new anti-androgen agents (abiraterone and enzalutamide). Currently, patients are being dosed according to the completed Q3W arm of the Phase I trial. However, pending the outcome of the Phase I Q1W study a second arm may be added to the trial to continue development of the Q1W strategy. The primary endpoint for this study is radiographic progression free survival (rPFS). Secondary endpoints include time to PSA progression, overall survival, and safety. As in the NSCLC trial, Bind will also explore PSMA expression as a potential patient selection marker. Data from this trial is expected in H2:14. Free docetaxel would be expected to produce a 45-65% PSA response rate, 6-8 months of progression free survival, and 18-22 months of overall survival. We believe a 50% increase in PFS compared to free docetaxel is required to show commercial promise in this indication and warrant progression into Phase III trials. This would translate to a PSA progression time of at least 9-12 months.

Other Cancers

In addition to NSCLC and mCRPC, BIND-014 has significant clinical opportunities in additional indications. At peak, approximately $1B of Taxotere sales came from breast cancer patients in both the adjuvant and metastatic settings. Management has discussed this as the next indication for BIND-014 development. Subsequent indication expansions could also include head&neck, ovarian and gastric cancers. BIND-014's Phase I trial also revealed the potential to expand docetaxel use into tumor types where it was previously ineffective such as cervical cancer.

Taxotere Sales



Source: Bind Therapeutics

BIND-014's Market Opportunity

We believe BIND-014 has the potential to be a blockbuster drug in the indications it is currently being developed, and could broaden its reach into additional cancer indications. Within NSCLC, our consultants indicate that 60% of patients are eligible for second line therapy. There are numerous second line therapies on the market, of which generic docetaxel is one of the most commonly used. With modest uptake (up to 24% of the docetaxel NSCLC market) and pricing in line with other branded chemotherapeutics ($30K/course), we project peak US sales of $625MM within the NSCLC market. Bind expects to partner ROW rights to BIND-014 and we model an ex-U.S. royalty arrangement of 15%, generating an additional $96MM in profits for Bind. Therefore, we model Bind's peak WW NSCLC revenue at $721MM.

BIND-014 NSCLC Revenue Model

Global NSCLC Revenue Model										
U.S.	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**
# of Stage IIIb/IV Non-Squamous NSCLC cases (000)	137	138	140	141	143	144	145	147	148	150
% on Second Line Therapy	*60%*	*60%*	*60%*	*60%*	*60%*	*60%*	*60%*	*60%*	*60%*	*60%*
# on Second Line Therapy	82	83	84	85	86	86	87	88	89	90
% on Docetaxel	*40%*	*40%*	*40%*	*40%*	*40%*	*40%*	*40%*	*40%*	*40%*	*40%*
# on Docetaxel	55	55	56	56	57	58	58	59	59	60
BIND-014 Mkt Share	*3%*	*9%*	*14%*	*19%*	*22%*	*23%*	*24%*	*23%*	*23%*	*22%*
# on BIND-014	2	5	8	11	12	13	14	14	14	13
Price per patient ($000)	$30	$32	$33	$35	$36	$38	$40	$42	$44	$47
U.S. BIND-014 Revenue ($MM)	**$50.0**	**$150.0**	**$250.0**	**$375.0**	**$450.0**	**$500.0**	**$550.0**	**$575.0**	**$600.0**	**$625.0**
R.O.W.										
R.O.W. BIND-014 Sales ($MM)	**$0.0**	**$42.9**	**$133.3**	**$229.2**	**$323.1**	**$404.8**	**$495.5**	**$589.7**	**$606.1**	**$637.3**
As a % of U.S. Sales	*0%*	*29%*	*53%*	*61%*	*72%*	*81%*	*90%*	*103%*	*101%*	*102%*
Bind Royalty	**15%**	**15%**	**15%**	**15%**	**15%**	**15%**	**15%**	**15%**	**15%**	**15%**
R.O.W. BIND-014 Revenue ($MM)	**$0.0**	**$6.4**	**$20.0**	**$34.4**	**$48.5**	**$60.7**	**$74.3**	**$88.5**	**$90.9**	**$95.6**
Total WW BIND-014 Revenue ($MM)	**$50.0**	**$156.4**	**$270.0**	**$409.4**	**$498.5**	**$560.7**	**$624.3**	**$663.5**	**$690.9**	**$720.6**
% growth Y/Y		*213%*	*73%*	*52%*	*22%*	*12%*	*11%*	*6%*	*4%*	*4%*

Source: Cowen and Company

We believe mCRPC represents a smaller but still significant market opportunity for BIND-014. Based upon the number of deaths in the U.S. we estimate there to be approximately 15K U.S. mCRPC patients on chemotherapy. Generic docetaxel is a major component of this market and currently grabs majority market share. Assuming BIND-014 captures a substantial share of docetaxel's mCRPC market, we project peak U.S. sales of $250MM. We again assume that Bind will partner BIND-014 during later stage trials and will be entitled to a 15% royalty on ex-U.S. sales. This revenue brings our peak WW mCRPC revenue projection to $288MM. Therefore, we model peak total BIND-014 sales of >$1B across the NSCLC and mCRPC markets with significant growth opportunities into additional indications.

BIND-014 mCRPC Revenue Model

Global mCRPC Revenue Model										
U.S.	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**
# of mCRPC cases (000)	30.0	30.3	30.6	30.9	31.2	31.5	31.8	32.2	32.5	32.8
% on Docetaxel	*30%*	*30%*	*30%*	*30%*	*30%*	*30%*	*30%*	*30%*	*30%*	*30%*
# on Docetaxel	9.0	9.1	9.2	9.3	9.4	9.5	9.6	9.6	9.7	9.8
BIND-014 Mkt Share	*9%*	*30%*	*40%*	*50%*	*56%*	*61%*	*60%*	*60%*	*58%*	*55%*
# on BIND-014	0.8	2.7	3.6	4.6	5.2	5.7	5.7	5.8	5.6	5.4
Price per patient per year ($000)	$30	$32	$33	$35	$36	$38	$40	$42	$44	$47
U.S. BIND-014 Revenue ($MM)	**$25.0**	**$85.0**	**$120.0**	**$160.0**	**$190.0**	**$220.0**	**$230.0**	**$245.0**	**$250.0**	**$250.0**
R.O.W.										
R.O.W. BIND-014 Sales ($MM)	**$0.0**	**$33.3**	**$66.7**	**$100.0**	**$133.0**	**$166.7**	**$200.0**	**$233.3**	**$250.0**	**$250.0**
As a % of U.S. Sales	*0%*	*39%*	*56%*	*62%*	*70%*	*76%*	*87%*	*95%*	*100%*	*100%*
Bind Royalty	**15%**	**15%**	**15%**	**15%**	**15%**	**15%**	**15%**	**15%**	**15%**	**15%**
R.O.W. BIND-014 Revenue ($MM)	**$0.0**	**$5.0**	**$10.0**	**$15.0**	**$20.0**	**$25.0**	**$30.0**	**$35.0**	**$37.5**	**$37.5**
Total WW BIND-014 Revenue ($MM)	**$25.0**	**$90.0**	**$130.0**	**$175.0**	**$210.0**	**$245.0**	**$260.0**	**$280.0**	**$287.5**	**$287.5**
% growth Y/Y		*260%*	*44%*	*35%*	*20%*	*17%*	*6%*	*8%*	*3%*	*0%*

Source: Cowen and Company

Preclinical Assets in Development

Bind is also working to identify additional Accurins for development. Little information on these programs has been disclosed, though management has said it plans to nominate an IND candidate for an Accurin directed at solid tumors in Q1:14. In addition, management plans to disclose a hematologic cancer Accurin in Q4:14.

Partnering to Fill the Accurin Space

Bind's primary expertise and intellectual property estate resides with the design, creation, and manufacturing of Accurins. Clearly partners can also benefit from access to this expertise to optimize the delivery of proprietary drugs or drug candidates, and Bind has shown the ability to sign collaborations that provide it with meaningful economics in return. Beyond the obvious financial considerations, partnering gives Bind access to other companies' highly specialized knowledge of chemistry, biology and drug development. In addition, by manufacturing Accurins that accommodate partnered compounds of various sizes and hydrophobic properties, Bind has the potential to increase the breadth of its intellectual property estate. In evaluating potential partnerships Bind management considers a number of factors, including whether:

1) The physical and chemical properties of the proposed payload are well suited to Accurin encapsulation

2) The therapeutic payload has high therapeutic potential

3) The therapeutic payload is highly validated in its native state

4) The collaborator possesses significant resources and capabilities for development and commercialization which it can contribute to the project

5) The collaborator attaches significant importance to the project

6) The collaborator values Bind's input on the direction of the project

7) The project's scope can be narrowed so that Bind's IP is not diluted by partner claims

Bind has consummated a number of partnerships which fit these criteria, and announced agreements with Amgen (January 2013), Pfizer (March 2013), and AstraZeneca (April 2013). While the details of each deal vary, the economics are generally in line with conjugated monoclonal antibody deals. For each project the partner is responsible for all costs and Bind contributes only knowledge and manufacturing space. Bind is responsible for performing initial Accurin manufacturing. Clinical and commercial stage manufacturing may be kept in-house or transferred to the partner. The partners work together to optimize the Accurin's pharmacokinetic properties to the project's unique needs. Afterwards, the partner is responsible for performing all clinical development and commercialization activities. As the partnered Accurin advances, Bind is entitled to development, regulatory, and commercialization milestone payments as well as tiered royalties (typically mid- to high-single digit) upon successful commercialization. Importantly, these partnerships are specific to combinations of Accurin technology with a particular payload, not a metabolic pathway or disease. This preserves Bind's ability to pursue similar Accurins independently or with other partners. Consequently, these agreements provide opportunities for additional revenue generation with little risk to Bind's freedom to operate and/or ability to execute development plans for proprietary Accurins.

Bind Partnership Agreements

	January 2013	*March 2013*	*April 2013*
	AMGEN	Pfizer	AstraZeneca
Partner Therapeutic Payload	Proprietary kinase inhibitor	Multiple proprietary molecularly targeted small molecules	Proprietary kinase inhibitor from an unannounced feasibility study
Value to BIND	Upfront plus $111.5M in development and regulatory milestones Commercial milestones: $188M Tiered royalties	Upfront plus $89.5M in development and regulatory milestones per molecule Commercial milestones: $110M per molecule Tiered royalties	Upfront plus $193M in development, regulatory and commercial milestones Tiered royalties

Source: Bind Therapeutics

Bind Therapeutics Quarterly P&L

	2012A	Q1:13A	Q2:13A	Q3:13E	Q4:13E	2013E	Q1:14E	Q2:14E	Q3:14E	Q4:14E	2014E
BIND-014 Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Collaborative and Grant Revenue	1.0	1.5	2.8	1.7	1.8	7.7	3.0	4.0	5.0	6.0	18.0
Total Revenue	**1.0**	**1.5**	**2.8**	**1.7**	**1.8**	**7.7**	**3.0**	**4.0**	**5.0**	**6.0**	**18.0**
Y/Y growth	*16%*					*632%*	*102%*	*44%*	*203%*	*243%*	*135%*
COGS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
R&D	13.1	5.7	6.0	6.5	7.0	25.1	9.0	10.0	11.0	11.5	41.5
SG&A	6.6	2.0	2.4	2.1	2.3	8.7	2.5	2.6	2.6	2.7	10.4
Total Expenses	**19.7**	**7.6**	**8.4**	**8.6**	**9.3**	**33.8**	**11.5**	**12.6**	**13.6**	**14.2**	**51.9**
Operating Income/Loss	**(18.6)**	**(6.1)**	**(5.6)**	**(6.9)**	**(7.5)**	**(26.2)**	**(8.5)**	**(8.6)**	**(8.6)**	**(8.2)**	**(33.9)**
Non-Operating Income	(0.6)	(0.2)	(0.3)	(0.5)	(0.3)	(1.2)	(0.3)	(0.3)	(0.3)	(0.4)	(1.2)
Accretion of Redeemable Convertible Stock	(5.0)	(1.3)	(1.4)	(1.5)		(4.2)					
Pre-tax Income/Loss	**(24.2)**	**(7.6)**	**(7.3)**	**(8.9)**	**(7.8)**	**(31.6)**	**(8.8)**	**(8.9)**	**(8.9)**	**(8.6)**	**(35.1)**
Tax rate (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Provision for income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income (Loss)	**(24.2)**	**(7.6)**	**(7.3)**	**(8.9)**	**(7.8)**	**(31.6)**	**(8.8)**	**(8.9)**	**(8.9)**	**(8.6)**	**(35.1)**
GAAP EPS	**($2.50)**	**($1.34)**	**($1.27)**	**($0.77)**	**($0.48)**	**($3.23)**	**($0.53)**	**($0.53)**	**($0.53)**	**($0.51)**	**($2.10)**
Diluted Shares	9.7	5.7	5.8	11.5	16.2	9.8	16.5	16.7	16.8	16.9	16.7

Source: Cowen and Company

Bind Therapeutics Quarterly P&L

	2012A	2013E	2014E	2015E	2016E	2017E	2018E
BIND-014 Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Collaborative and Grant Revenue	1.0	7.7	18.0	25.0	30.0	32.0	35.0
Total Revenue	**1.0**	**7.7**	**18.0**	**25.0**	**30.0**	**32.0**	**35.0**
Y/Y growth		632%	135%	39%	20%	7%	9%
COGS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
R&D	13.1	25.1	41.5	58.0	70.0	80.0	85.0
SG&A	6.6	8.7	10.4	12.0	14.0	16.0	20.0
Total Expenses	**19.7**	**33.8**	**51.9**	**70.0**	**84.0**	**96.0**	**105.0**
Operating Income/Loss	(18.6)	(26.2)	(33.9)	(45.0)	(54.0)	(64.0)	(70.0)
Non-Operating Income	(0.6)	(1.2)	(1.2)	(1.2)	(1.2)	(1.5)	(1.0)
Pre-tax Income/Loss	(24.2)	(31.6)	(35.1)	(46.2)	(55.2)	(65.5)	(71.0)
Tax rate (%)	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Provision for income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income (Loss)	(24.2)	(31.6)	(35.1)	(46.2)	(55.2)	(65.5)	(71.0)
GAAP EPS	**($2.50)**	**($3.23)**	**($2.10)**	**($1.85)**	**($2.05)**	**($2.05)**	**($2.15)**
Diluted Shares	9.7	9.8	16.7	25.0	27.0	32.0	33.0

Source: Cowen and Company

Valuation Methodology & Investment Risks

Valuation Methodology

Biotechnology:

In calculating our 12-month target price, we employ one or more valuation methodologies, which include a discounted earnings analysis, discounted cash flow analysis, net present value analysis and/or a comparable company analysis. These analyses may or may not require the use of objective measures such as price-to-earnings or price-to-sales multiples as well as subjective measures such as discount rates.

We make investment recommendations on early stage (pre-commercial) biotechnology companies based upon an assessment of their technology, the probability of pipeline success, and the potential market opportunity in the event of success. However, because these companies lack traditional financial metrics, we do not believe there are any good methodologies for assigning a specific target price to such stocks.

Investment Risks

Biotechnology:

There are multiple risks that are inherent with an investment in the biotechnology sector. Beyond systemic risk, there is also clinical, regulatory, and commercial risk. Additionally, biotechnology companies require significant amounts of capital in order to develop their clinical programs. The capital-raising environment is always changing and there is risk that necessary capital to complete development may not be readily available.

Company Specific Risks

Bind Therapeutics has no approved products, limited revenue, and will likely need to raise additional capital from the public markets prior to turning profitable. There is limited clinical trial experience on lead candidate BIND-014, or BIND's Accurin platform more broadly. Moreover, BIND-014 faces a number of clinical, regulatory, and commercial hurdles prior to becoming successful, and projecting any future sales for BIND-014 is inherently difficult.

Addendum

STOCKS MENTIONED IN IMPORTANT DISCLOSURES

Ticker	Company Name
BIND	BIND Therapeutics, Inc.

Analyst Certification

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Cowen and Company Rating System effective May 25, 2013

Outperform (1): The stock is expected to achieve a total positive return of at least 15% over the next 12 months

Market Perform (2): The stock is expected to have a total return that falls between the parameters of an Outperform and Underperform over the next 12 months

Underperform (3): Stock is expected to achieve a total negative return of at least 10% over the next 12 months

Assumption: The expected total return calculation includes anticipated dividend yield

Cowen and Company Rating System until May 25, 2013

Outperform (1): Stock expected to outperform the S&P 500

Neutral (2): Stock expected to perform in line with the S&P 500

Underperform (3): Stock expected to underperform the S&P 500

Assumptions: Time horizon is 12 months; S&P 500 is flat over forecast period

Cowen Securities, formerly known as Dahlman Rose & Company, Rating System until May 25, 2013

Buy – The fundamentals/valuations of the subject company are improving and the investment return is expected to be 5 to 15 percentage points higher than the general market return

Sell – The fundamentals/valuations of the subject company are deteriorating and the investment return is expected to be 5 to 15 percentage points lower than the general market return

Hold – The fundamentals/valuations of the subject company are neither improving nor deteriorating and the investment return is expected to be in line with the general market return

COWEN AND COMPANY RATING ALLOCATION

Distribution of Ratings/Investment Banking Services (IB) as of 09/30/13

Rating	Count	Ratings Distribution	Count	IB Services/Past 12 Months
Buy (a)	394	58.72%	54	13.71%
Hold (b)	255	38.00%	5	1.96%
Sell (c)	22	3.28%	1	4.55%

(a) Corresponds to "Outperform" rated stocks as defined in Cowen and Company, LLC's rating definitions. (b) Corresponds to "Market Perform" as defined in Cowen and Company, LLC's ratings definitions. (c) Corresponds to "Underperform" as defined in Cowen and Company, LLC's ratings definitions.

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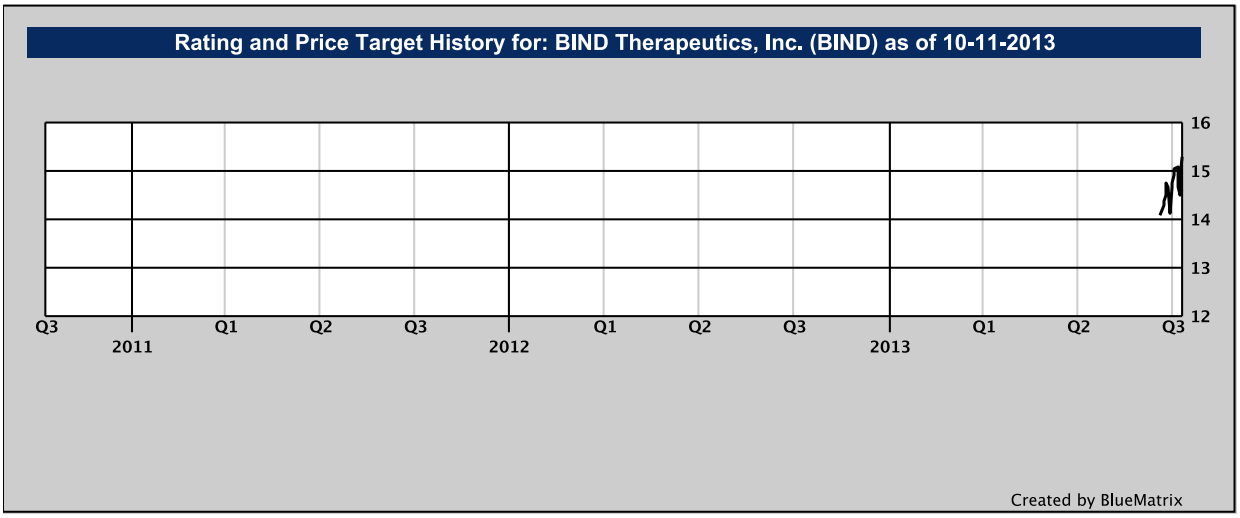

Legend for Price Chart:

I = Initation | 1 = Outperform | 2 = Market Perform | 3 = Underperform | T = Terminated Coverage | $xx = Price Target | NA = Not Available