

Trevena, Inc. (TRVN)

Second Phase 2b Trial Initiated for TRV130 in Acute Post-Operative Pain

MARKET DATA

Price	\$5.36
52-Week Range:	\$3.80 - \$9.95
Shares Out. (M):	26.2
Market Cap (\$M):	\$140.4
Average Daily Vol. (000):	142.0
Cash (M):	\$72
Cash/Share:	\$2.74
Enterprise Value (M):	\$76
LT Debt (M):	\$2

Source: Thomson Reuters and JMP Securities LLC

MARKET OUTPERFORM | Price: \$5.36 | Target Price: \$21.00

INVESTMENT HIGHLIGHTS

TRV130 Phase 2b results are expected in mid-2015 to inform Phase 3 clinical development; we reiterate our Market Outperform rating and \$21 price target on Trevena, Inc. Yesterday afternoon, Trevena announced the initiation of a second Phase 2b trial of its lead pain candidate, TRV130. This trial is evaluating TRV130 vs. placebo and morphine in patients following abdominoplasty, a soft tissue surgery. Top-line results are expected in mid-2015, and we anticipate that positive results will further support the advancement of the product candidate into Phase 3 development and the potential to differentiate (both in terms of safety and efficacy) from standard of care I.V. morphine. Our \$21 price target is derived through a sum-of-the-parts analysis for TRV130 and TRV027.

Results anticipated in mid-2015. The Phase 2b trial is an n=200, randomized, double-blind, placebo and active-controlled clinical trial evaluating the efficacy and tolerability of TRV130 post-operative pain following abdominoplasty surgery. The primary endpoint will be the time-weighted average change from baseline in numeric pain rating scale scores over 24 hours. Secondary endpoints include the following: comparison vs. morphine, pain scores at shorter time intervals (including rates of opioid-related adverse effects as measured by oxygen saturation, nausea numeric rating scale, and rescue antiemetic utilization), and patient satisfaction using the Patient Global Assessment of the Method of Pain Control. We continue to view this asset as an important value driver for Trevena, and we reinforce our confidence in the Phase 3 program, which is currently expected to begin in 1Q16.

FY DEC	2013A	2014E	2015E
Revenue (\$M) 1Q	--	\$0.0A	--
2Q	--	\$0.0A	--
3Q	--	\$0.0A	--
4Q	--	\$0.0	--
FY	\$0.1	\$0.0	\$0.0
EPS 1Q	--	(\$0.59)A	--
2Q	--	(\$0.44)A	--
3Q	--	(\$0.59)A	--
4Q	--	(\$0.62)	--
FY	(\$29.71)	(\$2.23)	(\$2.42)
P/E	NM	NM	NM

Source: Company reports and JMP Securities LLC

STOCK PRICE PERFORMANCE



Company Description

Trevena is a clinical-stage biopharmaceutical company based in King of Prussia, PA, focused on the discovery and development of small molecule and peptide G-protein coupled receptor (GPCR) biased ligands. The company was established in 2007 with the aim of translating groundbreaking academic research on GPCR signaling into a new generation of medicines. The company has two programs in clinical development: TRV027, currently in Phase 2 clinical testing for the treatment of acute heart failure, and TRV130, currently completing Phase 2 testing for the treatment of post-operative pain. In addition, Trevena has built an early stage portfolio of drug discovery programs currently in lead optimization, including TRV734, currently in preclinical testing for oral treatment of acute and chronic pain.

In January 2014, Trevena completed its initial public offering, raising net proceeds of approximately \$60MM through the sale of 9.25 million shares of common stock at a price of \$7 per share. The proceeds from the IPO are intended to fund the development of TRV027, TRV130, and TRV734, as well as additional preclinical programs and for general working capital and corporate purposes.

Investment Risks

Clinical risk. Trevena may not be successful in the full development and launch of its product candidates. There may be efficacy or safety issues related to product candidates undergoing clinical trials that would preclude continued development.

Regulatory risk. The FDA and/or other ex-U.S. regulatory agencies could reject any of the company's, or its partners', future regulatory filings or require additional studies prior to granting approval.

Industry risk. Given the competitive landscape in the biotechnology space, another company may come out with a more efficacious, less expensive product that could take significant market share away from Trevena's products, challenging the company's chances for success.

Balance sheet risk. The company has a history of losses and has not yet established a track record of consistent profitability. While we project that the company will not need to raise additional capital to maintain profitability, it may be necessary to do so to fund the business model.

JMP FACTS AND DISCLOSURES

Analyst Certification:

The research analyst(s) who prepared this report does/do hereby certify that the views presented in this report are in accordance with my/our personal views on the securities and issuers discussed in this report. As mandated by SEC Regulation AC no part of my/our compensation was, is or will be directly or indirectly related to the specific views or recommendations expressed herein. This certification is made under the obligations set forth in SEC Regulation AC. Any other person or entity may not use it for any other purpose. This certification is made based on my/our analysis on the date of this report's publication. I/We assume no obligation to update this certification to reflect any facts, circumstances or events that may subsequently come to my/our attention. Signed Jason N. Butler

JMP Securities Disclosures:

JMP Securities currently makes a market in the security of Trevena, Inc.

JMP Securities was manager or co-manager of a public offering of securities for Trevena, Inc. (TRVN) in the past 12 months, and received compensation for doing so.

JMP Securities expects to receive OR intends to seek compensation for investment banking services from Trevena, Inc. in the next 3 months.

JMP Securities Investment Opinion Definitions:

Market Outperform (MO): JMP Securities expects the stock price to outperform relevant market indices over the next 12 months.

Market Perform (MP): JMP Securities expects the stock price to perform in line with relevant market indices over the next 12 months.

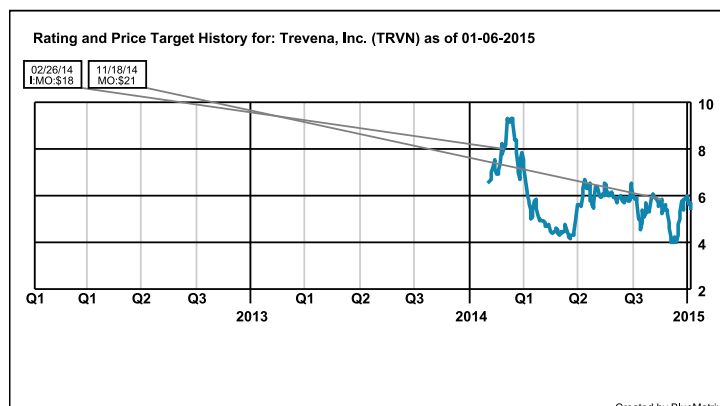
Market Underperform (MU): JMP Securities expects the stock price to underperform relevant market indices over the next 12 months.

JMP Securities Research Ratings and Investment Banking Services: (as of January 7, 2015)

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	295	65.41%	Buy	295	65.41%	102	34.58%
MARKET PERFORM	Hold	150	33.26%	Hold	150	33.26%	17	11.33%
MARKET UNDERPERFORM	Sell	3	0.67%	Sell	3	0.67%	0	0%
COVERAGE IN TRANSITION		1	0.22%		1	0.22%	0	0%
TOTAL:		451	100%		451	100%	121	26.83%

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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