

Trevena, Inc. (TRVN)

Phase 1 Results for Oral Pain Candidate Support Continued Development

MARKET DATA

Price	\$4.50
52-Week Range:	\$4.07 - \$9.95
Shares Out. (M):	26.2
Market Cap (\$M):	\$117.9
Average Daily Vol. (000):	41.0
Cash (M):	\$91
Cash/Share:	\$3.49
Enterprise Value (M):	\$29

Source: Thomson Reuters and JMP Securities LLC

MARKET OUTPERFORM | Price: \$4.50 | Target Price: \$18.00

INVESTMENT HIGHLIGHTS

Positive Phase 1 data of TRV734 for pain support further study; reiterate Market Outperform rating and \$18 price target on Trevena, Inc. This morning, Trevena announced positive, top-line results from a Phase 1 trial for TRV734 in moderate to severe pain. Similar to TRV130, TRV734 acts as a biased ligand for the mu-opioid receptor, however, it is an oral drug candidate. The Phase 1 trial demonstrated that TRV734 is orally bioavailable, and pharmacologically active at a range of safe and well-tolerated doses. We believe these results are supportive of advancing TRV734 to additional trials, beginning with a Phase 1b multiple-ascending dose study. Our \$18 price target is derived through a sum-of-the parts analysis for TRV130 and TRV027.

Phase 1 supports continued development. This trial was a 76-subject, first-in-human, single-ascending dose study designed to assess the safety, tolerability, pharmacokinetics (PK), and pharmacodynamics (PD) of TRV734. In addition, the drug candidate was evaluated using pupillometry, a well-validated biomarker for opioid analgesic efficacy. The results demonstrated dose-related PK profiles and peak plasma concentrations approximately one hour post-administration. Furthermore, treatment with TRV734 resulted in pupil constriction that has been previously demonstrated to be predictive of analgesia. The pupillometry data are supportive of a viable therapeutic window. As with TRV130, we believe that TRV734 has the potential to achieve potent analgesic efficacy, in line with current opioid drugs, with an improved safety and tolerability profile.

Focus remains on ongoing Phase 2 trials. We continue to expect results from the Phase 2 bunionectomy trial for TRV130 in 1Q15. In addition, data from the Phase 2b BLAST trial of TRV027 in heart failure are expected to read out in 2H15. In our view, these trial read outs remain the key value-driving catalysts to Trevena shares.

FY DEC	2013A	2014E	2015E
Revenue (\$M) 1Q	--	\$0.0A	--
2Q	--	\$0.0	--
3Q	--	\$0.0	--
4Q	--	\$0.0	--
FY	\$0.1	\$0.0	\$0.0
EPS 1Q	--	(\$0.59)A	--
2Q	--	(\$0.44)	--
3Q	--	(\$0.49)	--
4Q	--	(\$0.52)	--
FY	(\$29.71)	(\$2.04)	(\$2.03)
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

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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 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.

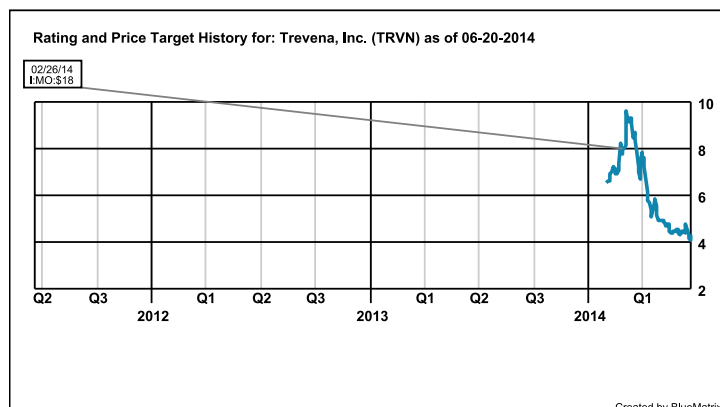
Market Underperform (MU): JMP Securities expects the stock price to underperform relevant market indices over the next 12 months.

JMP Securities Research Ratings and Investment Banking Services: (as of June 22, 2014)

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	265	59.28%	Buy	265	59.28%	98	36.98%
MARKET PERFORM	Hold	138	30.87%	Hold	138	30.87%	19	13.77%
MARKET UNDERPERFORM	Sell	4	0.89%	Sell	4	0.89%	0	0%
COVERAGE IN TRANSITION		40	8.95%		40	8.95%	0	0%
TOTAL:		447	100%		447	100%	117	26.17%

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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