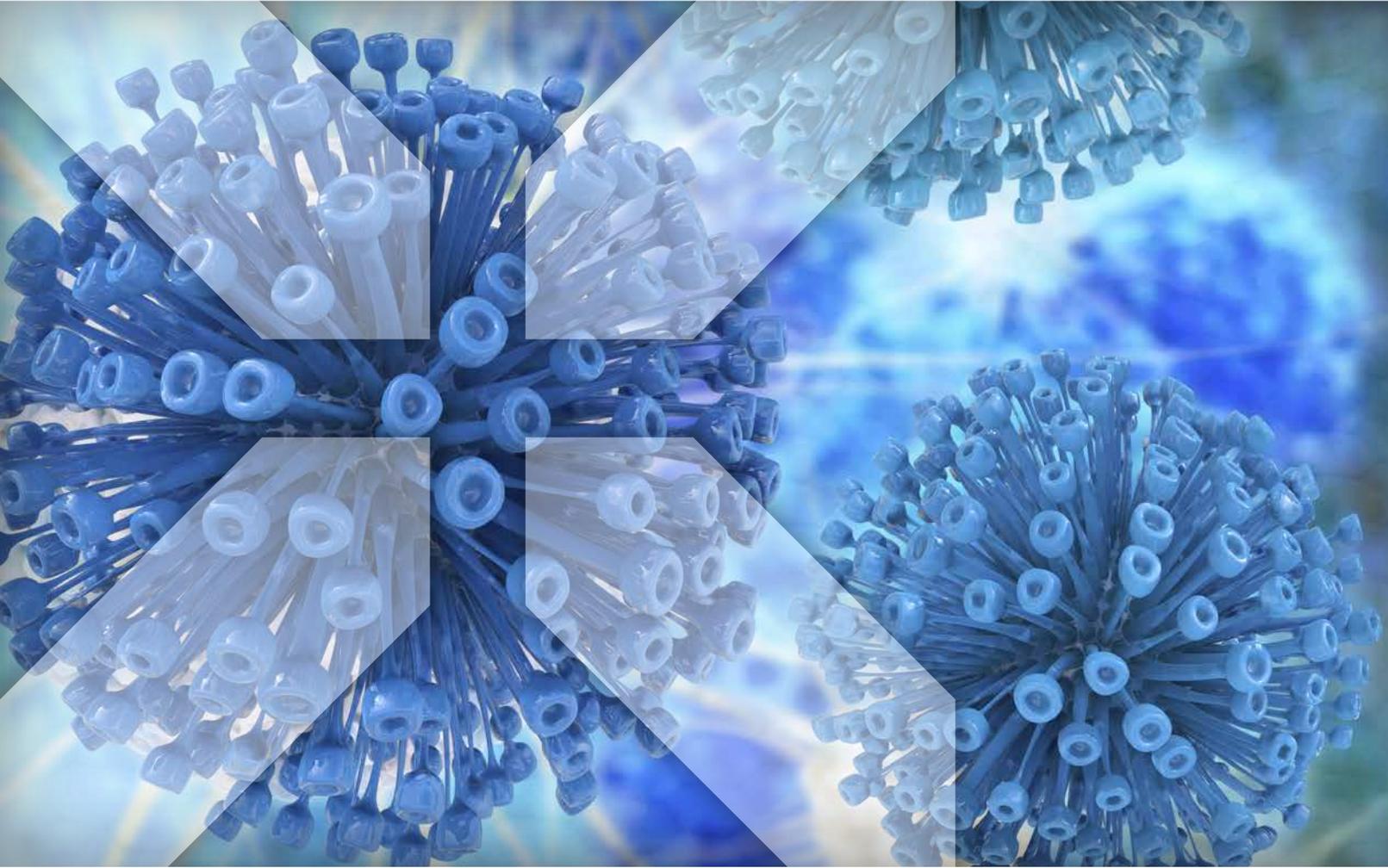


2014 Annual Report



BioCrossroads®



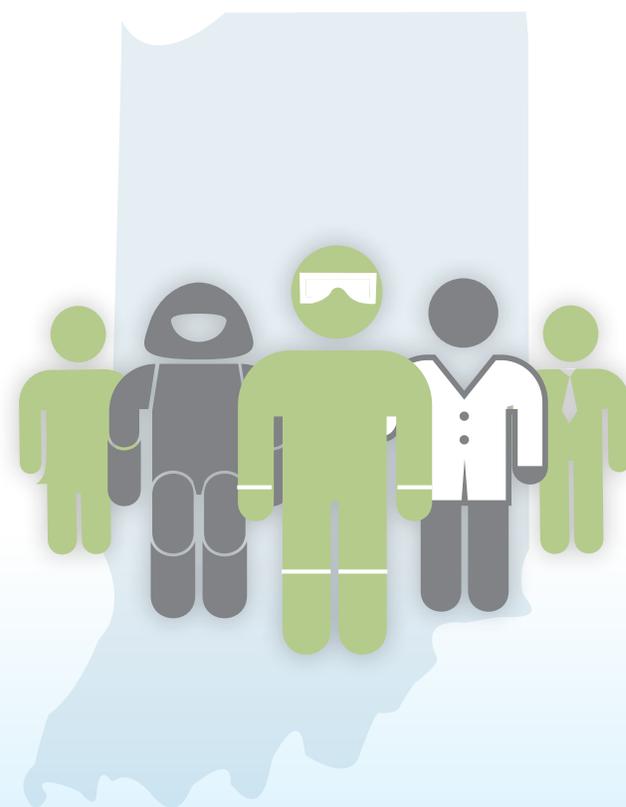
2014

Indiana's vibrant life sciences community is hitting key milestones and continues to gain momentum

Twelve years ago, Indiana's uniquely broad and deep community of life sciences industry, academic, philanthropic and public leaders brought together the BioCrossroads coalition to drive further innovation and growth in this leading sector of the 21st-century economy for Indiana—and the nation. By 2014, the BioCrossroads initiative was stronger than ever, with many "points on the board" in achieving key milestones for the progress of the mission: raising successive and return-driven venture capital and seed funds, building unique collaborations, establishing an authoritative data base and marketing strengths, and further developing a one-of-a-kind institute to accelerate research and commercialization. The result is a vibrant life sciences community that has increased its economic impact for the state by more than \$27 billion in just 11 years (\$32B in 2002 and \$59B in 2013, an impressive growth rate with several recession years in the mix).

Catalyzing Knowledge

Analyzing and researching Indiana's life sciences marketplace and beyond is one of the cornerstones of BioCrossroads' work. In October, BioCrossroads issued a major report, *Life Sciences Innovation Capital in Indiana*, authored by the Battelle Technology Partnership Practice. This study takes a new and comprehensive look at Indiana's supplies and investments of "innovation capital" from seed and venture capital funds, State and federal grants and funding programs, and philanthropic support over two successive time frames: 1993 to 2002; and 2003 to 2013. The report shows impressive progress over this 20-year period, including clear gains in innovation dollars as well as an increase in life sciences innovation capital that outpaced the nation between 2003 and 2013. Based on these results, the report also provides a view of future opportunities and offers specific recommendations for further investment growth.



BioCrossroads and Indiana's life sciences sector continue to take an appropriately larger role in the national discussion of regional development success stories. The state's life sciences employment has maintained a leading position – one of the top 10 in the U.S. – and its employment concentration is the fifth best nationally, according to the annual Biotechnology Industry Organization/Battelle report.

In addition, in 2014 BioCrossroads was honored with an *Excellence in Technology-based Economic Development (TBED) award* in the category *Improving Competitiveness of Existing Industries* from the State Science and Technology Institute (SSTI). Each year, SSTI, a national nonprofit organization that leads, supports and strengthens efforts to improve state and regional economies through science, technology and innovation, recognizes initiatives that advance state and regional economies through a national competition showcasing effective and innovative approaches to building tech-based economies. Through this distinguished awards program, SSTI has showcased some of the most successful technology-and science-based clusters in the U.S. today, and BioCrossroads is now appropriately recognized as a part of that distinguished network.

Indiana has
56,231 workers in
the life sciences industry
at **1,773** companies

In addition, BioCrossroads organized seven conferences in 2014 - six Framework sessions and its annual (the 11th) Indiana Life Sciences Summit in October. The Framework educational series included:

- Leveraging the Perspective of Young Professionals to Cultivate Engagement and Loyalty to Indiana (February)
- Dr. Jay L. Hess, Dean of the Indiana University School of Medicine Shares Vision (April)
- Patent Reform 2014: What Are the Issues, Who Supports and Opposes Which Proposals, and Why? (May)
- Solving Today's Healthcare Challenges by Personalizing the Provider & Patient Experience (August)
- Telehealth: Enabling Innovation to Transform Healthcare Delivery (August)
- Global Health Research in Indiana: Working Together to Benefit Hoosiers and the World (September)

The 11th annual Indiana Life Sciences Summit in October featured a keynote speech from Christopher Austin, M.D., Director, National Center for Advancing Translational Sciences at the National Institutes of Health, who spoke about how his organization is working with industry and academia to accelerate research and the drive to effective commercialization. A highlight of the conference came when John C. Lechleiter, Ph.D., Chairman, President and CEO of Eli Lilly and Company was announced as the Watanabe Life Sciences Champion of the Year for his work as a principal visionary and constant moving force behind BioCrossroads' many efforts to advance Indiana's life sciences sector, including his personal championship in driving the creation of the Indiana Biosciences Research Institute. Dr. Francis Collins, Director of the National Institutes of Health, provided a special video testimonial honoring Dr. Lechleiter's work and duly celebrating his winning of this award.

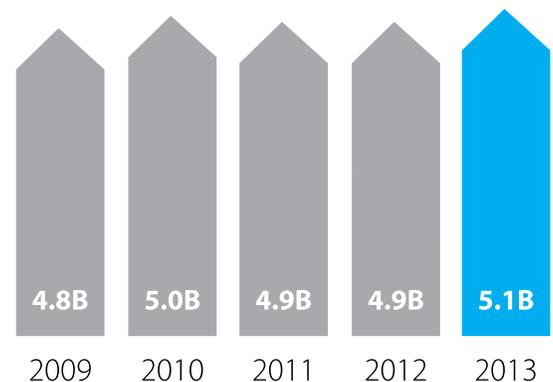
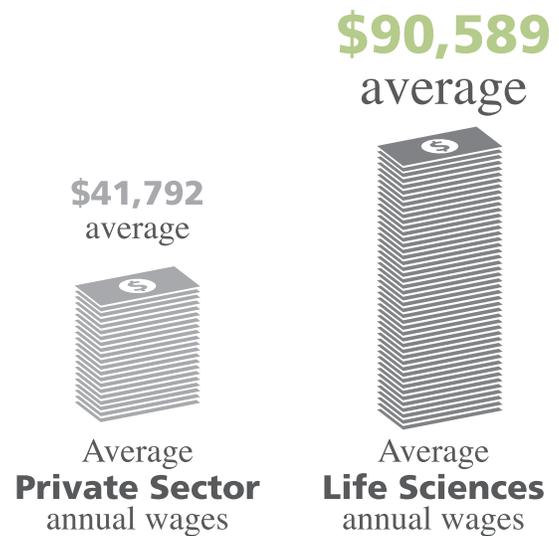


Catalyzing Capital

BioCrossroads' Indiana Seed Fund II has now invested in a portfolio of six early-stage companies, including Assembly Pharmaceuticals, which during the year achieved the distinction of being the Seed Fund's first company to be publicly traded on NASDAQ. Assembly is developing novel drugs for the treatment and potential cure of chronic hepatitis B virus (HBV) infection – breakthrough science from the laboratory of Indiana University professor Adam Zlotnick, Ph.D.

At this year's New Venture Competition, BioCrossroads' annual business plan contest to accelerate entrepreneurial activity and encourage the development of early-stage Indiana life sciences companies, four winners received cash prizes totaling \$70,000. Applicants covered a variety of life sciences areas—pharmaceutical, medical device, agricultural and health information technology—and came from both university-based programs as well as independently developed technologies.

- **1st place - Anagin:** Pioneering novel therapeutics for the treatment of Post-Traumatic Stress Disorder and other neurological disorders.
- **2nd place - WellPlay Health:** Technology start-up focused on improving a patient's rehabilitation by developing solutions to improve compliance, monitoring, and reimbursement.
- **3rd place - Sintact Medical Systems:** Develops non-resorbable, biocompatible films, which protect adjacent organs from adhering due to surgical trauma and scarring.
- **Pre-Venture Winner - Spero Energy:** Advancing a process that converts biomass into high value chemicals for the flavor/fragrance industry and biorefineries.



Indiana workers earn over **\$5 Billion** in annual wages

682 Corporate patent filings

983 University patent filings



Catalyzing Collaboration

BioCrossroads continues to work in concert with the Indiana Biosciences Research Institute (IBRI) toward ambitious goals for accelerating collaborative discovery and development of effective new medicines, diagnostics, devices, and practices in the “backyard” of the research and development operations of Indiana’s impressive and diverse life sciences industry leaders. The IBRI will have a specific scientific focus on metabolic disease, including diabetes and obesity, and nutrition. Early in the year, the IBRI brought its first, key employee on board—Chief Operating Officer David Broecker, an experienced life sciences executive with leadership roles in the pharma, medical device and biotech fields and a passion for advancing innovative technologies through development and delivery to patients. Working with the IBRI Board and

the BioCrossroads professional team, David also made substantial progress on the Institute’s other critical-path items for success in 2014: continued engagement with both industry and academic partners, particularly on the topic of collaborative research programs; planning for both the permanent and temporary facilities; and recruitment of key scientific and administrative talent as well as industry and scientific advisors.

\$59^B

Overall impact on
Indiana’s economy



99 Products approved



As 2014 began, BioCrossroads had just launched the Indiana Food and Agriculture Innovation Initiative. This effort, sponsored in collaboration with BioCrossroads' parent organization, the Central Indiana Corporate Partnership, is designed to advance the state's agricultural innovation assets by establishing strategic collaborations, supporting new companies, and promoting the agricultural technology sector. In November, with support from the State of Indiana, leading businesses and academic institutions, BioCrossroads / Central Indiana Corporate Partnership (CICP) branded the initiative: AgriNovus Indiana. In conjunction with the new name announcement, AgriNovus Indiana also released a "first-of-its-kind" industry report that details agricultural innovation in the State and identifies opportunities for growth in four key areas: Plant Science and Crop Protection, Animal Health (Veterinary) and Nutrition Products, Value-Added Human Food and Nutrition Products and Agricultural Production Equipment, Processing Equipment and Precision Agricultural Systems. AgriNovus is now in position to continue to take shape and gain momentum over the course of the coming year.



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Note: Data used in graphics is from 2013, the most recent available, and was compiled by the Indiana Business Research Center at the Indiana University Kelley School of Business and BioCrossroads.





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Led by BioCrossroads Chairman **Leonard J. Betley**, Chairman and President of the Richard M. Fairbanks Foundation, Inc. and the Regenstrief Foundation and Chairman of the Walther Cancer Foundation, the BioCrossroads Board of Directors includes leaders from Indiana's most influential organizations in the life sciences community, including a diverse representation of corporate, academic and philanthropic entities.

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