

# How to Partner with A Multinational Animal Health Company to Serve Unmet Medical Needs



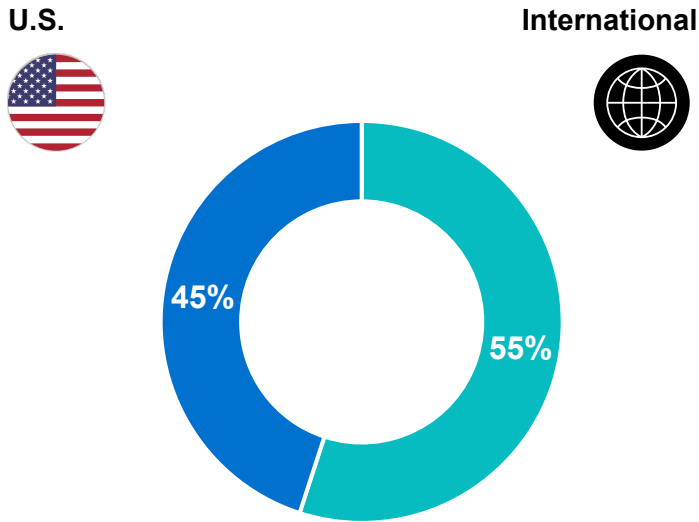
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# Why Animal Health Continues to Grow...

Themes	Description
Farm Animal	<ul style="list-style-type: none"><li>▪ <b>Livestock Growth</b><ul style="list-style-type: none"><li>▪ Human <b>population growth</b> + increasing standards of living ➤ demand for improved nutrition</li><li>▪ Increasing natural <b>resource constraints</b> driving a need for <b>enhanced productivity</b>, and increased focus on food safety</li><li>▪ Increased <b>scrutiny on antibiotics</b> globally</li><li>▪ Innovation being driven in areas <b>adjacent to traditional therapeutics</b> – digital farm, sexing technology, nutrition</li><li>▪ A focus on <b>sustainability</b> and <b>welfare</b></li></ul></li></ul>
Pet Health	<ul style="list-style-type: none"><li>▪ <b>Companion Animal Growth</b><ul style="list-style-type: none"><li>▪ Driven by economic development + increases in disposable income</li><li>▪ <b>Increasing pet ownership</b></li><li>▪ <b>Pets living longer</b> thanks to advances in improved pet care</li><li>▪ <b>Increasing medical treatment</b> of companion animals and advances in animal health</li><li>▪ <b>Increased willingness to pay</b> for pet health care and well being</li><li>▪ Increased <b>medical care needed for aging pets</b></li><li>▪ <b>Digitally savvy millennials &amp; Gen Z</b> entering pet ownership</li><li>▪ Break-through <b>innovation creating new market</b> segments</li></ul></li></ul>

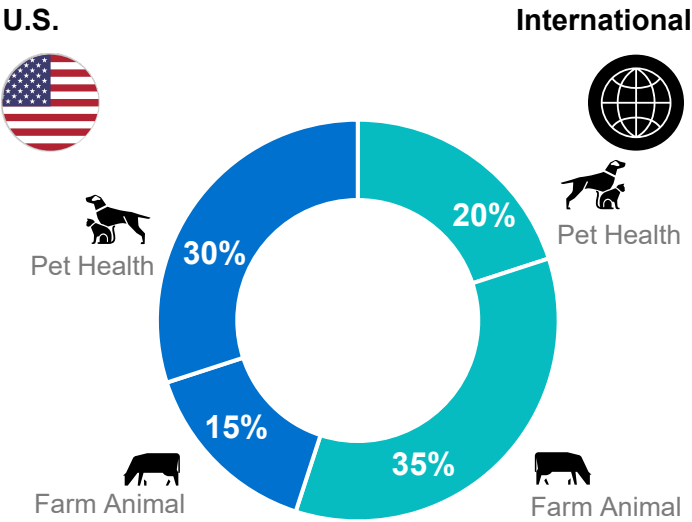
# Elanco is a Leading Animal Health Company with a Global, Diverse, Balanced Portfolio

## Geography



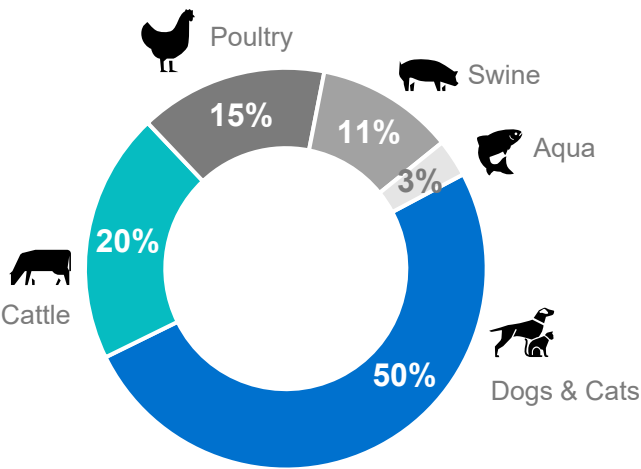
Balanced global revenue base

## Revenue Category



Pet Health ~50%;  
More than doubled international Pet Health

## Species



Enhanced cattle portfolio;  
Poultry remains significant

Note: Percentages represent Elanco 2020 pro forma revenue estimates, exclude Contract Manufacturing of \$110M and may not add due to rounding

# Some Relevant Themes for Animal Health Start-Ups

## Theme

## What Does This Mean for a Start-Up?

### 1 Appetite for Commercial & R&D Assets Remains



Exclusive global rights to  
KIND-030, a monoclonal  
antibody targeting canine  
parvovirus (CPV)



Divestitures



- *Both Early Stage and Late-Stage / Commercial Assets Can Be Appealing*
- *However, Late-Stage / Commercial Assets will Command a Premium*
- *Early Assets Need Good PoC Data & Typically Need to Be Superior to Our Own Ideas*

### 2 Continued Focus on Novel Technologies, Platforms & New MOAs in Areas of Unmet Need



- *We Love New Areas of Innovation*
- *But They Must Also Fulfil an Unmet Need*
- *You Should Know Your Market Opportunity and Know Your Competitors*

### 3 Connected Care and Digital Technology Continue to be Interesting



- *We will Always Evaluate Potentially Disruptive Business Models That Lead to Better Outcomes for All Stakeholders*



# Some Relevant Themes for Animal Health Start-Ups (Cont'd)

## Theme

## What Does This Mean for a Start-Up?

- 4 The Start-Up Space is Continuing to Attract the Attention from Investors Although Has the Risk / Reward Equation Been Calibrated?

NOVAQUEST  
CAPITAL MANAGEMENT

DIGITALIS

TEMASEK

anterra<sup>capital</sup>



- *You Need Capital to Survive*
- *But Make Sure that Investors Know This Isn't Human Health – The Risk / Reward Equation is Not the Same*

- 5 Animal Health is Also Relevant to Human Health



tarsus



- *A Lot of Companies Have Focused on Using Human Health Technology in Animal Health*
- *Or Funding Human Health Activities Through the Sale of Animal Health Rights*
- *Some Companies Challenge the Status-Quo*

- 6 AH Executives are Supporting Innovation by Joining Boards of Start-Ups & Corporates



Dr. Fabian Kausche



Dr. Linda Rhodes



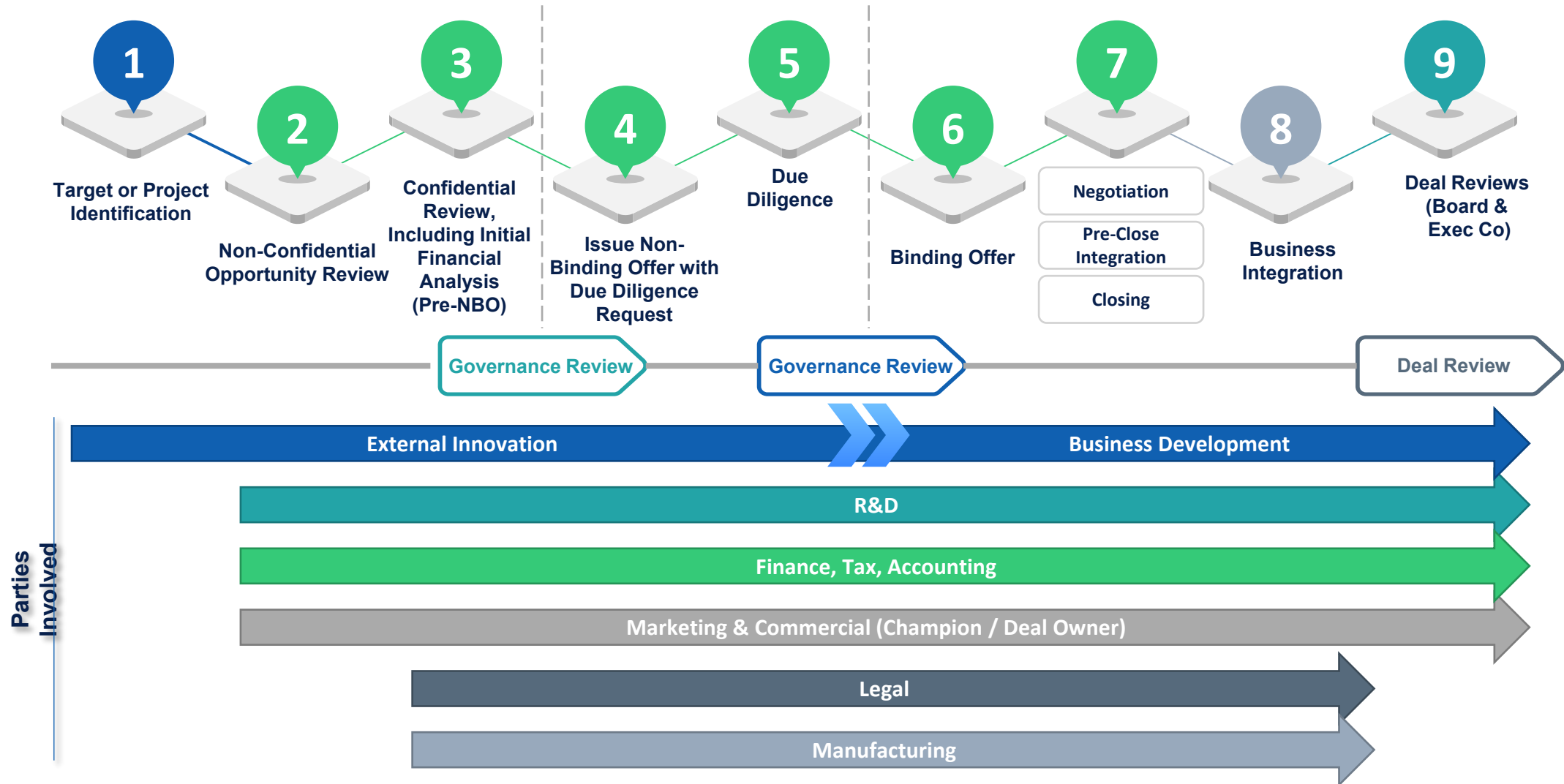
Dr. Joachim Hasenmaier



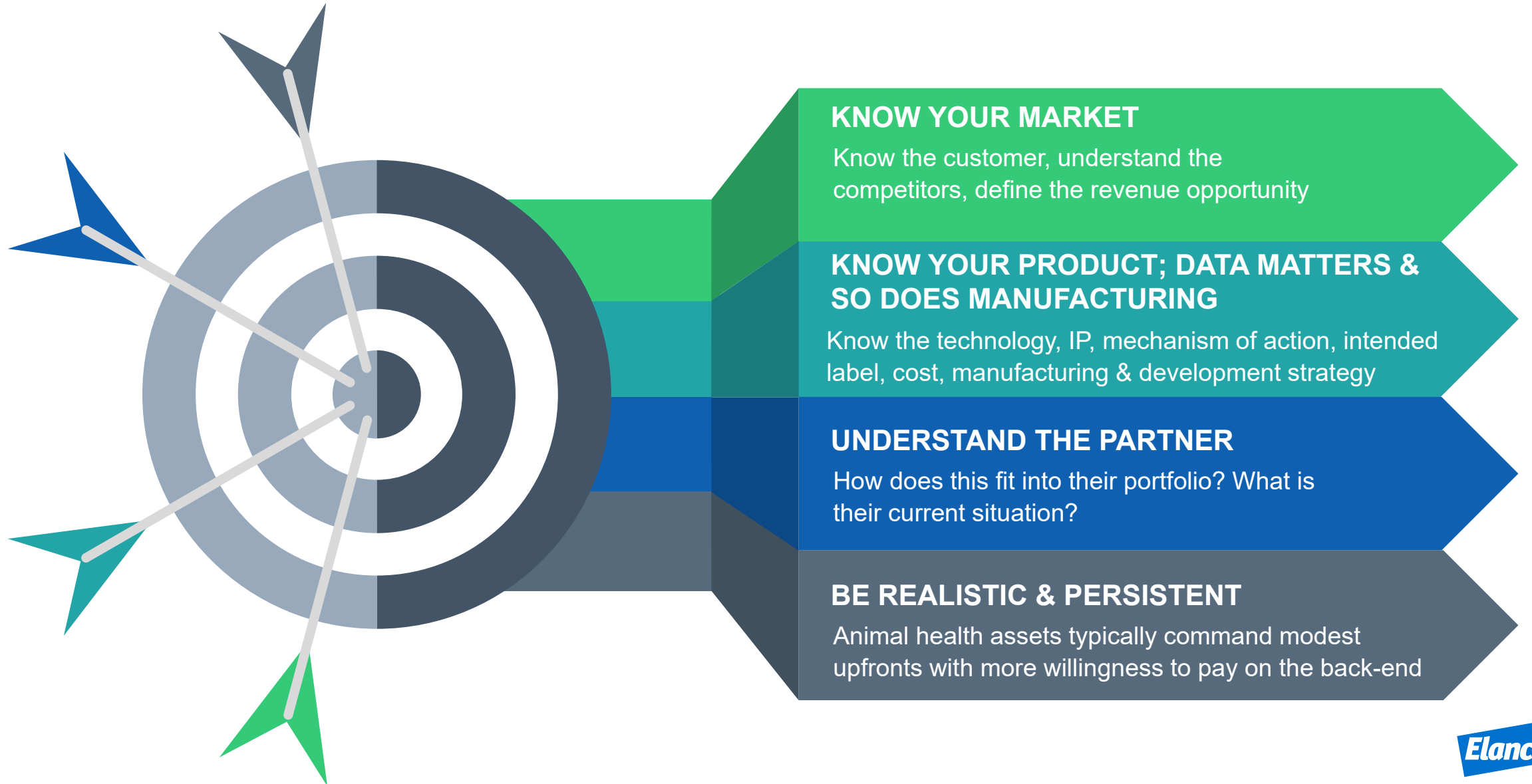
- *Seasoned Executives Can Help Your Business*
- *They Know (Or They Should Know!) What Good Looks Like*

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# Some Insights Into How we Review Deals



# Some Key Takeaways



# Partnering With Elanco Helps You Begin With the End in Mind





- **Contact:**  
**[elanco\\_partnering@elancoah.com](mailto:elanco_partnering@elancoah.com)**



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# We are the Partner of Choice in Animal Health



*Global R&D collaboration agreement expands nutritional health capabilities into cattle and brings producers innovative alternatives to antibiotics*



*Global R&D collaboration to develop nutritional products for swine aimed at improving health and reducing antibiotic use*



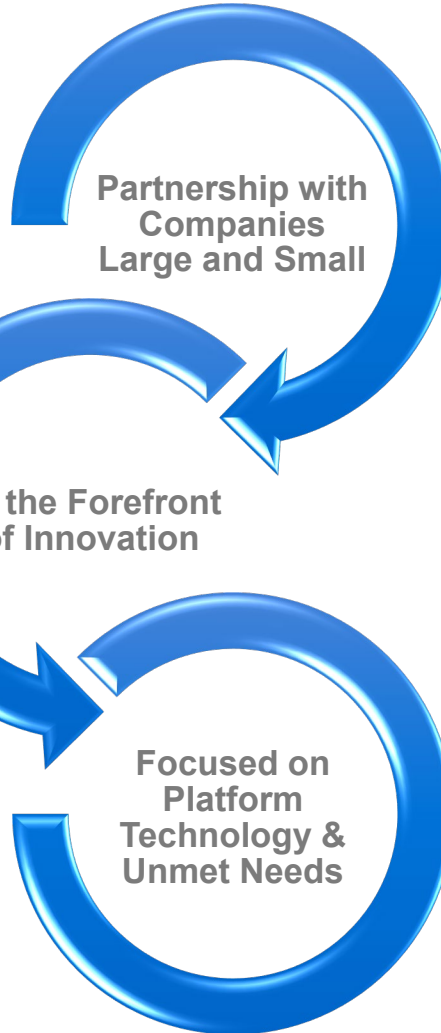
*Acquired certain rights to Galliprant, a canine pain treatment for osteoarthritis*



*Access to commercial rights to Tanovea-CA1, the first FDA conditionally-approved canine lymphoma drug*



*Commercial agreement to partner together to deliver a telemedicine business with a specialist referral platform connecting board-certified veterinary specialists to vet clinics*



*Exclusive global rights to KIND-030, a monoclonal antibody targeting canine parvovirus (CPV)*



*Basel based Animal Health specific incubator founded by animal health experts with global connections*



*Collaboration with Aniv8 in wearables to diagnose and monitor osteoarthritis pain in dogs and cats*



*Drug discovery platform which can identify and validate microbiome-based biotherapeutics for the prevention and treatment of respiratory infections in animals*