

At-the-Market Offerings (ATM) of Life Sciences Companies Perform Well in Weak Follow-on Financing Environment of Third Quarter

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Data from ATM Specialist Brinson Patrick Show \$25 Million Raised through Activity of Nine Offerings

NEW YORK, Dec. 13, 2011 – Brinson Patrick Securities Corporation, a boutique investment bank specializing in at-the-market (ATM) offerings, announced today that life sciences companies in the U.S. raised \$25 million through activity of nine ATM offerings of common stock in the third quarter of this year.

While the data represent a 60 percent decrease in the use of ATMs in the life sciences sector compared to the second quarter of 2011, this reduction in gross proceeds is less than the 77 percent decline observed with more traditional follow-on financing vehicles such as registered direct, secondary and private investment in public equity (PIPE) offerings. In addition, four new ATMs were activated in the third quarter, combining for a total of 15 new ATMs through the third quarter.

“The third quarter was a challenging fundraising period across the board for life sciences companies regardless of the fundraising vehicle employed,” said Todd Wyche, founder and managing director of Brinson Patrick. “The driver for reduced ATM activity was a weak biotechnology equity market, in which the AMEX Biotechnology Index declined 26 percent during the third quarter. However, ATMs performed relatively well compared to conventional follow-on financings because they enable companies to remain in control of their financing activities and raise capital as needed. We view this as further evidence of the flexibility and value of ATMs as a financing vehicle that should be included in all CFOs’ toolboxes.”

Life science companies that utilized ATMs to raise capital in the third quarter included AEterna Zentaris Inc., Quebec City, Quebec; OXIGENE Inc., South San Francisco; Apricus Biosciences, Inc., San Diego; and XOMA Ltd., Berkeley, Calif.

An ATM offering provides an efficient means of raising equity capital over time by enabling a publicly traded company to tap into the existing secondary market for its shares on an as-needed basis. With an ATM, an exchange listed company incrementally sells newly issued shares into the trading market through a designated broker-dealer at prevailing market prices, rather than via a traditional underwritten offering of a fixed number of shares at a fixed price all at once.

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ATMs raise incremental capital over time, making them ideal for raising general working capital, funding specific projects, funding research and development, and paying off debt. ATM offerings are generally less expensive and less complicated to execute than traditional equity offerings and do not require a lot of executive time – for instance there are no required executive road shows.

“Looking forward, we expect that the life sciences financing environment will remain challenging but that ATMs will continue to perform relatively well and that they will continue to be increasingly recognized as a valuable financing option,” added Wyche.

EDITOR’S NOTE: Visit www.brinsonpatrick.com/mediakit.php to access Brinson Patrick’s fact sheet.

Brinson Patrick Securities Corporation is a boutique investment bank

that employs a single financing tool – DOCS® (Dynamic Offering of Common Stock) at-the-market (ATM) financing facility – to raise the capital for clients as they need it.

The DOCS® ATM is a low-profile equity offering appropriate for publicly traded companies across multiple industries and market capitalizations. It has been successfully utilized by companies in the energy, life science, technology, real estate, financial services and hospitality industries with market capitalizations that range from \$50 million to over \$1 billion.

Brinson Patrick is a FINRA member broker-dealer.



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