

Cooley Shows Off Life Sciences Dominance With Aduro IPO

By **Chelsea Naso**

Law360, New York (April 27, 2015, 4:12 PM ET) -- Cooley LLP flaunted its expertise in the life sciences space with its recent representation of Aduro Biotech Inc., guiding the immuno-oncology firm through an upsized initial public offering that soared nearly 150 percent the same week it helped two other venture capital-backed drugmakers go public.

Founded in San Francisco in 1920, Cooley has long guided innovative companies. The firm's leadership in life sciences dates back to the beginning of the industry, when Cooley helped to form biopharmaceutical companies Amgen Inc. and Genentech Inc., two of the first in the industry, according to Eric Jensen, a Cooley LLP corporate partner and one of the leaders of the capital markets practice.

"Forming Amgen and Genentech, we were there at the dawn of the life sciences industry," he said.

Maintaining its life sciences focus as the industry continues to flourish has helped Cooley form a broad team that is able to assist growing companies with every aspect, from formation and venture capital funding to intellectual property challenges and life as a public company, Jensen said.

"If you focus on life sciences, it becomes part of the depth and the breadth of the firm," he said. "You can bring a lot more to the table because you know the players and dynamics of an industry."

That long history of life sciences expertise came to bear as Cooley led Aduro, which is developing immunotherapy treatments for a range of cancers, through an eventful IPO process. The biotech ultimately raked in nearly \$137 million, including the fully exercised overallotment option.

The Berkeley, California-based company drew attention shortly before its IPO with a new drug development deal inked with Swiss drugmaker Novartis, which could bring in as much as \$750 million for Aduro. The deal with Novartis is in addition to another partnership to work on a separate immunotherapy platform with an affiliate of Johnson & Johnson Development Corp.

Aduro priced 7 million shares at \$17 apiece on April 15, meeting the increased expectations the biotech set less than 24 hours before pricing. Aduro had initially expected to offer just 5 million shares for between \$14 and \$16 each, which at the midpoint would have raised \$75 million.

Aduro also raised another \$25 million in a concurrent private placement, the biotech said.

Even after Aduro increased its IPO price, the biotech's shares soared in its trading debut on

the Nasdaq under the symbol ADRO. Shares opened on April 15 at \$32 a pop, nearly double its \$17 per share IPO price, and rallied further to close at \$42 per share, marking a 147 percent jump from its IPO price.

Amid the successful debut of Aduro, Cooley also helped two other venture capital-backed biotechs — Cidara Therapeutics Inc. and KemPharm Inc. — price their IPOs.

On April 15, the same day that Aduro priced its debut, Cidara, which is developing treatments for infections that have inadequate treatment options, sold 4.8 million shares for \$16 apiece to rake in \$76.8 million in capital, hitting the high end of the \$14 to \$16 per share target and selling 800,000 more shares than originally planned.

While Cidara didn't see the same first-day pop as Aduro, its shares did climb slightly, opening on the Nasdaq under the symbol CDTX at \$16 and hitting \$16.24 before closing at \$16.11 per share.

The following day, Cooley also led late-stage biotech KemPharm through its public debut. KemPharm's lead candidate is an addiction-resistant pain medication. While KemPharm's IPO missed its indicative price point, the biotech was able to sell additional shares to meet its target.

The Iowa-based drug developer sold 5.1 million shares — 1.1 million more than planned — at \$11 apiece, below its targeted \$12 to \$14 per share range, to raise \$56 million.

KemPharm was able to climb slightly in its trading debut on the Nasdaq under the symbol KMPH. After opening at \$11.75 per share, the biotech's shares hit \$12.33 apiece before closing at a more modest \$11.20 per share.

Aduro, Cidara and KemPharm's IPOs accounted for just a week in Cooley's busy schedule. In the last two months, the firm has led roughly 20 public equity offerings.

Cooley's capital markets expertise also expands beyond IPOs and follow-on offerings. In April, the firm led two specialty pharmaceutical companies — Pernix Therapeutics Holdings Inc. and Egalet Corp. — through convertible note offerings.

In 2014, the firm championed 100 completed equity offerings, including 50 IPOs, making it the most active firm in terms of advising new issuers. With those 50 public debuts, Cooley led 43 percent of all venture-backed life science IPOs and 27 percent of all venture-backed technology IPOs, the firm noted.

The sheer number of life sciences IPOs and equity offerings led by Cooley also helps ensure that the up-and-coming group of capital markets associates work on several deals each year, Jensen said.

"We can tell companies the young associates on the IPO have done four life sciences IPOs in the last year. At some firms, partners can't say that for their career," he said.

Cooley's focus on life sciences over the years has given the firm market expertise and industry knowledge that is difficult to rival, noted Peter Zeughauser, a legal consultant and founder of the Zeughauser Group.

"They pioneered it, really," he said. "They built a huge practice before anyone was really in that space in any significant way. They have a major practice; they really staked out that sector as theirs from the

beginning.”

Over the years, Cooley has also been at the forefront of a number of key deals and offerings outside the life sciences industry, including guiding the formation of the first-ever West Coast venture capital fund, Draper Gaither & Anderson, in 1958 and taking technology giant Qualcomm public in 1992. Since its founding, the firm has also carved out a presence in Palo Alto, Seattle, Boston and Shanghai. Cooley also recently opened an office in London.

--Editing by John Quinn and Philip Shea.

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