



Outcome Capital Life Sciences Market Pulse

December 2021

Reach the Right Outcome



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OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

Strategic Transactional Insights & Market Trends



Outcome Capital At A Glance...

Outcome Capital is a highly-specialized life sciences advisory & investment banking firm providing middle-market transactional expertise underpinned by a value-added, market-aligned approach to strategy execution. Our industry-dedicated specialists leverage significant operational, strategic & scientific knowledge in sharing their insights on industry-defining transactions.

Life Science Verticals:

- › MedTech
- › Pharma
- › Biotech
- › Diagnostics
- › Life Sciences Services
- › Digital Health

Transaction Focus:

- › M&A
- › Management Buyouts & Roll-Ups
- › Partnering
- › Equity Financings

Expertise Across the Value Chain:

- › Scientific
- › Regulatory
- › Reimbursement
- › Legal & IP
- › Operational
- › Transactional

Outcome Capital Pulse: Monthly Insights of Life Science Deal Action & Drivers

Highlighted Transactions

- › Strategic analysis from Outcome Capital's life sciences-dedicated deal team

Transaction Lineup

- › Snapshot of noteworthy life sciences deals highlighting industry-defining activity

Outcome Index Tracker

- › Custom medtech, biotech/pharma, diagnostics & services indices benchmarked to the S&P500



Highlighted Transactions

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Value-Enhancing Partnership Trend Continues



Target

\$670M

Deal Size



Partner



The biopharma market has been highly active throughout the pandemic with a substantial focus on strategic alliances ([Frame & Ben-Joseph, In Vivo, Nov 2021](#)), exemplified by the Lineage Cell Therapeutics collaboration and license agreement with Roche/Genentech, wherein Lineage granted to Roche exclusive worldwide rights to develop and commercialize retinal pigment epithelium (RPE) cell therapies for the treatment of ocular disorders. Partnership deals present exciting liquidity, risk mitigation and clinical know-how opportunities for early-stage companies. CEOs and venture investors should thus seek partnerships as early as possible in the drug development process.



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Asian Strategics Continue Hunt For Assets In U.S.



SUTRO
BIOPHARMA

Target

\$385M

Deal Size

TASLY
Tasly Phar. International Co., Ltd.

Partner

“

Shanghai Tasly Pharma acquired Greater China rights to an antibody-drug conjugate from South San Francisco-based Sutro Biopharma in a deal worth up to \$385M. This regional partnership builds on the current progress of ongoing clinical trials for STRO-002 in ovarian and endometrial cancer. Tasly will pursue the clinical development, regulatory approval, and commercialization of STRO-002 for ovarian and endometrial cancers, with the potential to expand to further oncological indications including non-small cell lung cancer (NSCLC) and triple-negative breast cancer (TNBC). Back in the October Pulse, we covered Sutro's deal with BioNova Pharma for their CD-74 targeting treatment in greater China. News flow on clinical development progression and regional partnering buoys Sutro's cash position.

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Small Molecule Transactions Command Market Premiums



ARENA
PHARMACEUTICALS

Target

\$6.7B

Deal Size

Pfizer

Buyer

“

With the high-profile successes of biotechnology applications such as monoclonal antibodies, cell-based therapies and mRNA vaccines, it can sometimes be forgotten that oral small molecules remain the foundation of the pharmaceutical industry. Despite the significant internal R&D dollars invested in combinatorial chemistry and high-throughput screening, there is always room for attractive external assets in competitive areas – and these can drive big deals. Pfizer's primary interest in this transaction was Arena's lead asset etrasimod, which is an S1P receptor modulator in Phase 2 and Phase 3 development in multiple immunology and inflammation indications. This acquisition of etrasimod enables Pfizer to rapidly enter the mix of existing players with products having similar mechanisms of action that are already approved or also in late-stage development.

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Early-Stage Partnerships Paving Road For Future Acquisition



Target

\$580M

Deal Size

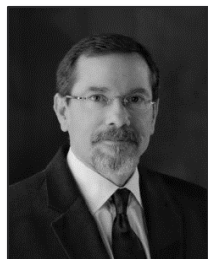


Partner

“

Zurich-based Molecular Partners (MP) has joined forces with Basel-based Novartis to create a new class of targeted, radioligand therapy (RLT) for cancer treatment. The licensing agreement makes possible the combination of Novartis' RLT expertise with MP's innovative DARPIn technology to create a new breed of targeted RLT. In contrast to monoclonal antibodies (mAbs), MP's DARPins are rapidly generated, small proteins that can be linked like beads-on-a-chain for multi-specificity. Moreover, DARPins share the high specificity and affinity of mAbs, and with the tumor-killing power of radioactive ligands, these attributes combine for a promising new class of targeted RLT that may be better able to penetrate tumors than their mAb-construct counterparts. In 2020, Novartis paid MP an upfront of \$60M in a licensing option for global rights to a DARPIn-based, tri-specific, antiviral therapeutic for COVID-19. Translation: When an innovative biotech company successfully executes on a deal to make a good first impression with a big player like Novartis, one deal can represent only the first step of many in what could end up as a journey to M&A. Watch this pair closely on the deal-making dancefloor.

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Quidel Expands Portfolio Throughout IVD Marketplace

Ortho

Clinical Diagnostics
Target

\$6.0B

Deal Size



QUIDEL

Buyer

“

The recent announcement by Quidel to acquire Ortho-Clinical highlights how differing strategies are seen in the marketplace. Ortho-Clinical is one of the largest IVD companies focused on throughput and addressing the central lab market, while Quidel has focused on decentralized testing in the Point-of-Care & At-Home markets. The shift in the IVD market towards decentralized testing is allowing Quidel to make this bold move, and the complementary nature of these core businesses and commercial strategies should be highly synergistic.

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Big Tech Sees Healthcare As Attractive Growth Opportunity



Target

\$30.1 B

Deal Size

ORACLE

Buyer



Oracle's acquisition of Cerner, while surprising to some, was the natural outcome of tech/cloud players seeking growth opportunities in HCIT. As recently as 2019, analysts were forecasting Apple (AAPL) to court Epic Systems. While that deal never materialized, Oracle saw a similar opportunity to vertically integrate their cloud/tech solutions with one of the U.S.'s most relied-upon EHRs. This deal will provide a unique chance for Cerner to on-board a variety of digital devices with ample back-end support and drive market share away from Epic.



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December 2021 | Transaction Lineup

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December 2021 Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
12/7/21	ETX EMERGENCE THERAPEUTICS	PONTIFAX SURVEYOR CF OrbiMed RACAPITAL Karima Partners bpifrance HADEAN VENTURES NRW BANK	Biopharma company developing novel antibody drug conjugates for treatment of cancers with high unmet needs.	Financing	99	N/A	Biotech / Pharma
12/7/21	WORRELL	Veranex Transforming Your MedTech Innovation	Global medical device design firm specializing in healthcare innovation & strategy.	M&A	Undisclosed	Undisclosed	Services
12/8/21	1E	Marius Nacht	Drug development company creating first-in-class RNA-targeting therapeutics based on proprietary drug design platform.	Financing	120	N/A	Biotech / Pharma
12/9/21	Syndax	Incyte	Collaboration & license agreement to develop & commercialize Syndax's anti-CSF-1R monoclonal antibody.	Partnership	602	117	Biotech / Pharma
12/13/21	ARENA PHARMACEUTICALS	Pfizer	Clinical stage company developing innovative therapies for treatment of immuno-inflammatory diseases.	M&A	6,700	6,700	Biotech / Pharma
12/14/21	MOLECULAR partners	NOVARTIS	License agreement to develop, manufacture & commercialize DARPin-conjugated radioligand therapies.	Partnership	580	20	Biotech / Pharma



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12/14/21	CADENCE	COATUE GENERAL CATALYST THRIVE CAPITAL	Remote patient monitoring & virtual care platform providing data for chronic disease management.	Financing	100	N/A	Digital Health
12/14/21	Vesper Medical	PHILIPS	Developer of minimally-invasive peripheral vascular devices for the treatment of deep venous disease.	M&A	Undisclosed	Undisclosed	MedTech
12/15/21	Depixus	bpi france ARIX LANDSDOWNE PARTNERS CASDIN	Developer of technology for fast, accurate & straightforward extraction of multiomic information from DNA, RNA & proteins.	Financing	35	N/A	Diagnostics
12/16/21	BRAINOMIX	Boehringer Ingelheim Tencent 腾讯 Parkwalk Investing in Innovation	Developer of AI-enabled software solutions to enable precision medicine for treatment decisions in stroke & certain lung conditions.	Financing	21	N/A	MedTech
12/16/21	Nodexus	RACAPITAL Section 32	Developer of platforms to accelerate biological workflows to make them more widely accessible.	Financing	30	N/A	Life Science Tools
12/16/21	Tasso	RACAPITAL FORESITE CAPITAL DE Shaw & Co WRAMBRECHT CO SVB Merck Cedars Sinai Incube Labs Jv	Developer of blood collection device enabling simple, convenient & virtually painless sample collection for users.	Financing	100	N/A	MedTech

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12/17/21	northsea THERAPEUTICS	NOVO holdings NEW SCIENCE VENTURES Forbion. BGV venBio <small>improving the future of medicine</small> SOFINNOVA YSIOS CAPITAL <small>INVESTMENTS</small>	Biotech company focused on developing structurally engineered fatty acids for the treatment of NASH & other metabolic disorders.	Financing	87	N/A	Biotech / Pharma
12/17/21	GENFIT TOWARDS BETTER MEDICINE	IPSEN Innovation for patient care	Global collaboration to develop, manufacture & commercialize GENFIT's investigational treatment for Primary Biliary Cholangitis.	Partnership	543	136	Biotech / Pharma
12/20/21	LINEAGE CELL THERAPEUTICS	Genentech	Collaboration & license agreement for the development & commercialization of a retinal pigment epithelium cell therapy.	Partnership	670	50	Biotech / Pharma
12/20/21	AFFERA	BainCapital LIFE SCIENCES	Developer of comprehensive integrated platform to efficiently deliver durable therapy for a broad set of cardiac arrhythmia patients.	Financing	75	N/A	MedTech
12/20/21	Cerner	ORACLE	Healthcare IT leader providing digital information systems used within hospitals to deliver better care.	M&A	30,131	30,131	Services
12/21/21	Scanwell	BD	Developer of smartphone-enabled at-home medical tests that interpret results, eliminating human subjectivity.	M&A	Undisclosed	Undisclosed	Diagnostics



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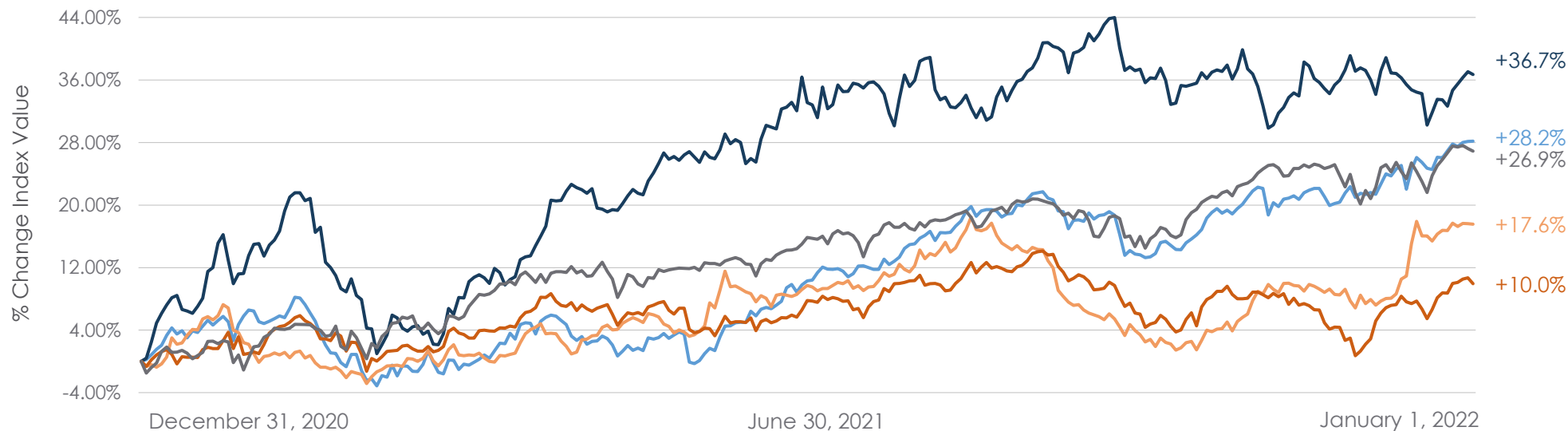
Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
12/22/21	TandemAI	CHENGWEI 成为资本capital OrbiMed Healthcare Fund Management	Advanced technology company integrating proprietary AI-driven computation with its efficient, large-scale wet lab operations for drug discovery.	Financing	25	N/A	Services
12/22/21	GYROSCOPE™ VISION FOR LIFE	NOVARTIS	Clinical stage company developing retinal gene therapies to treat dry age-related macular degeneration.	M&A	1,500	800	Biotech / Pharma
12/22/21	Idaho Molecular	Co-Dx	Developers of rapid, at-home devices to make PCR testing more affordable & widely accessible.	M&A	Undisclosed	Undisclosed	Diagnostics
12/23/21	Ortho Clinical Diagnostics	QUIDEL	In vitro diagnostics company providing innovative technology to ensure test results are fast, accurate & reliable.	M&A	6,000	6,000	Diagnostics
12/23/21	PGD Personal Genome Diagnostics	labcorp	Cancer genomics company developing a portfolio of comprehensive liquid biopsy & tissue-based products.	M&A	575	450	Diagnostics
12/27/21	SUTRO BIOPHARMA	TASLY	Exclusive license agreement to develop & commercialize a FolRα-targeting antibody drug conjugate.	Partnership	385	40	Biotech / Pharma



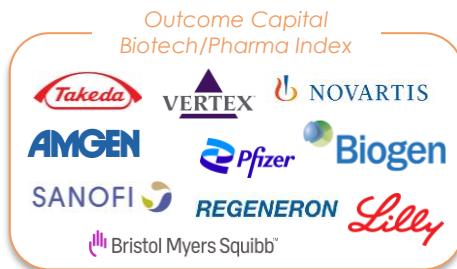
Outcome Index Tracker

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Outcome Capital Index Tracker (LTM)



Legend — S&P500 — Outcome Capital MedTech Index — Outcome Capital Biotech/Pharma Index — Outcome Capital Dx Index — Outcome Capital Services Index





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