



Outcome Capital Life Sciences Market Pulse

May 2022

Reach the Right Outcome



www.outcomecapital.com

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, biopharma, diagnostics, services & healthtech indices benchmarked to the S&P500



Highlighted Transactions



\$12.2B

Deal Size



Buyer



Pfizer's (NYSE: PFE) recent acquisition of Biohaven Pharmaceuticals (NYSE: BHVN) and their novel migraine therapy comes nearly five years after Pfizer discontinued their neuroscience research division. Despite previously halting research in the space, Pfizer remained active in the field with multiple investments (including a \$350M investment in Biohaven) and its spin-out, Cerevel Therapeutics. As neuroscience research continues to make great strides and with the biotech market in the midst of a correction, Pfizer decided it was time to re-enter the space. In addition to adding the best-selling migraine medication, NURTEC® ODT, to their offerings, Pfizer strengthens their pipeline with differentiated calcitonin gene-related peptide programs for pain disorders. While this may be the most notable biotech acquisition in the last few months, the trend of consolidation is underway within the industry; M&A offers buyers and sellers an expanded footprint for R&D and commercialization, creating value for their products and shareholders.



Oded Ben-Joseph, PhD, MBA

Managing Director
Outcome Capital, LLC

oben-joseph@outcomecapital.com



Visus Therapeutics Capitalizes On Chinese Interest In Ophthalmology Assets

VISUS
THERAPEUTICS
Target

\$130M
Deal Size

ZHAOKE
OPHTHALMOLOGY
Partner

“

As Merck entered into a sizeable licensing agreement with Sichuan Kelun Pharma to develop an asset outside China, other transactions were flowing in the opposite direction. Zhaoke Ophthalmology entered into an exclusive licensing agreement with U.S.-based Visus Therapeutics for the development and commercialization of two assets in China and additional Asian territories. This is a more moderate deal with \$15M upfront and \$115M in potential milestone payments, but expect to see this type of deal more commonly as Chinese biotech and pharma companies look to be more globally acquisitive to fuel growth at home.

”



Paul Mieyal, PhD, CFA

Managing Director
Outcome Capital, LLC

pmieyal@outcomecapital.com



OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

BMS Extends Reach With Next-Generation Oncology Combination



bridge**bio**
Target

\$905M
Deal Size

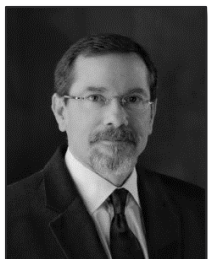


Bristol Myers Squibb™
Partner

“

Bristol-Myers Squibb Co (BMS) has signed an exclusive license agreement with BridgeBio Pharma, a company focused on genetic diseases and cancers, to develop and commercialize BBP-398, a potentially best-in-class (BIC) SHP2 inhibitor, in oncology. With a total deal value of >\$900 million, the deal expands on an earlier agreement to study SHP2 inhibition in combination with BMS's PD-1 immune checkpoint inhibitor (ICI), nivolumab, in advanced solid tumors with KRAS mutations. BridgeBio will continue to lead its current BBP-398 clinical trials with BMS's support, while BMS will conduct and fund future studies. Until recently, SHP2 was considered to be undruggable, but novel approaches to drug discovery have enabled many SHP2-targeted assets to enter clinical development, and SHP2 inhibition in oncology now represents a crowded field. The take-home message: big biotech will invest in raising efficacy levels for ICIs through studies with APIs sourced inorganically, and they do not necessarily require an asset to be first-in-class. These messages should provide some hope for small biotech companies working in oncology without the means to support organic clinical development.

”



John Armstrong, PhD

Managing Director
Outcome Capital, LLC

jarmstrong@outcomecapital.com



OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

PE Firms Water Street & JLL Partners Secure Nearly \$1.75B For Eversana



Target

\$1.75B

Deal Size



WATER STREET

Investors

“

Eversana, one of the largest life sciences commercialization services companies, was the beneficiary of Water Street Healthcare Partners and JLL Partners closing a joint, GP-led, single-asset deal with nearly \$1.75 billion total equity commitments. While uncommon, the jointly-led continuation fund deal gives PE firms more time and capital to grow the Eversana asset, which was originally a roll up of six service providers occurring in 2018. Since 2018, Eversana has itself been an active acquirer, acquiring 10 companies since inception. While the single-asset deal occurred in March, it was not reported until May, and includes funds specifically earmarked for future acquisitions. Eversana's big differentiator is its broad set of digital capabilities deployed for product launches. GPs are increasingly utilizing single-asset secondaries to extend their holds over certain higher potential growth assets, with continuation fund deals centered on a single asset accounting for 52% of sponsor-led deals by volume in 2021 (vs. 38% in 2020), according to Lazard. Keep your eyes on Eversana, as it will likely soon continue its buying spree, a clear opportunity to further consolidate the life sciences commercialization services market.

”



Karl Hess

Managing Director
Outcome Capital, LLC

khess@outcomecapital.com



OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

Reverse Merger Provides Opportunity To Fund Market Expansion



Cardio
Diagnostics
Target

\$84M
Deal Size

Mana Capital
Acquisition Corp.
Buyer

“ The recent influx of Special Purpose Acquisition Companies (SPACs) has led to an increase in reverse mergers. Recently, Chicago-based Cardio Diagnostics reversed-merged with Mana Capital Acquisition Corp. Cardio Diagnostics has been garnering acclaim for their EPI+Gen CHD test which predicts potential coronary heart disease. This transaction benefits Cardio Diagnostics by providing access to public market capital to help finance their continued growth and expand their laboratory presence.

”



Craig Steger

Senior Vice President
Outcome Capital, LLC

csteger@outcomecapital.com





Target

\$255M

Deal Size



Buyer

“

Commenting that this acquisition “...is a natural strategic extension of our orthopedic portfolio.” ConMed CEO, Curt Hartman, is showing keen interest and excitement for this highly-synergistic transaction. In2Bones is providing ConMed with a broad and exciting portfolio, complemented by an experienced and highly-successful sales team supporting a dedicated sales channel. ConMed is looking to make waves in the orthopedics space with this deal. Don’t be surprised if competitors work to do likewise before the end of the year.

”



Thomas Busby

Senior Vice President
Outcome Capital, LLC

tbusby@outcomecapital.com



Eli Lilly Continues Leveraging AI To Bolster Pipeline



Target

\$670M

Deal Size



Partner

“

AI-enabled technologies continue to revolutionize the biopharma industry from early-stage R&D through post-market analyses. Eli Lilly (NYSE: LLY) is one of many strategics who has recognized the potential of the technology and have been active in cultivating strategic relationships across their indications of interest. Their most recent deal with Genesis Therapeutics, which is valued up to \$670M, comes after similar size partnerships with Verge Genomics (\$694M) and Atomwise (\$560M). The Genesis drug discovery technology, which is also used by Genentech, will enable identification of novel therapeutic candidates for previously undruggable protein-targets by combining structural biology, molecular simulations, and chemical biology. As this and other AI-technologies continue to be adopted, it is important to watch not only how the R&D timeline changes but also the regulatory approval rate.

”



Nick Frame, PhD

Vice President

Outcome Capital, LLC

nframe@outcomecapital.com



OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

Leveraging Machine Learning To Optimize Novel Gene Therapy Development



\$271 M
Deal Size



“

Patient Square Capital continues their financial commitment to Kriya Therapeutics by leading their recent Series C financing. Kriya aims to leverage proprietary AI & machine learning protocols to identify and refine novel targets for gene therapy development. Relatively unique among gene therapy companies, Kriya maintains in-house manufacturing and a fully integrated therapeutic pipeline from lead discovery through manufacturing at scale. These efforts are done in part to offset the enormous costs of gene therapies currently available in the market, evidenced by Novartis's Zolgensma averaging upwards of \$2.1M per patient. Gene therapy developers are avidly pursuing technological breakthroughs to move past monogenic, rare disease indications and move toward more broadly applicable solutions for larger patient populations. In order to achieve this goal, pivotal challenges related to manufacturing and therapeutic design complexity that are driving costs up must be overcome. Kriya's fully-integrated solution joins the growing chorus of pre-clinical companies aiming to revolutionize the gene therapy space and bring the promise of a lasting cure to more patients.

”



Michael Casasanta, PhD

Senior Analyst

Outcome Capital, LLC

mcasasanta@outcomecapital.com





May 2022 | Transaction Lineup

OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

May 2022 Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
5/2/22	patient IQ	HEP	Developer of cloud-based platform integrating EMR data with patient-reported outcomes to provide actionable insights.	Financing	20	N/A	HealthTech
5/3/22	Genesis Therapeutics	Lilly	Strategic collaboration to discover up to 5 targets across a range of indications using proprietary AI drug discovery platform.	Partnership	670	20	Biotech / Pharma
5/3/22	Engimmune Therapeutics	PUREDS BIOVENTURES novo holdings	Developer of novel T-cell receptor-based therapeutics combining genome editing, functional screening & machine learning for cancer treatment.	Financing	16	N/A	Biotech / Pharma
5/4/22	intomics passionate scientists	ZS	Bioinformatics & systems biology company optimizing drug discovery & development by enabling complex biomedical data analysis.	M&A	Undisclosed	Undisclosed	Services
5/4/22	NCGS CONNECTING HOPE TO HEALING	NT	CRO focusing on research in oncology, hematology, infectious disease & central nervous system disorders.	M&A	Undisclosed	Undisclosed	Services
5/4/22	In2Bones	CONMED	Developer of implants, fracture systems, biologics & related hardware for treatment of upper & lower extremity injuries.	M&A	255	145	MedTech



OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

May 2022 Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
5/5/22	MEDRhythms	Biogen	License agreement to develop investigational prescription digital therapeutic for treatment of gait deficits in multiple sclerosis.	Partnership	121	3	Biotech / Pharma
5/6/22	PepGen™	-	Developer of Enhanced Delivery Oligonucleotide platform to develop pipeline of disease-modifying therapeutics.	IPO	108	N/A	Biotech / Pharma
5/10/22	novosteo	CORTEXIME	Biotech company focused on developing targeted therapeutics for rare skeletal diseases, bone cancer & injury.	M&A	Undisclosed	Undisclosed	Biotech / Pharma
5/10/22	biohaven pharmaceuticals	Pfizer	Developer of innovative dual-acting migraine therapy approved for both acute treatment & episodic prevention.	M&A	12,184	12,184	Biotech / Pharma
5/10/22	BlueWind MEDICAL	convatec — forever caring —	Developer of neuromodulation device to treat urinary incontinence with a minimally invasive outpatient procedure.	Financing	64	N/A	MedTech
5/11/22	VISUS THERAPEUTICS	ZHAOKE OPHTHALMOLOGY	Exclusive licensing agreement for development of investigational, preservative-free ophthalmic therapeutics.	Partnership	130	15	Biotech / Pharma



OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

May 2022 Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
5/12/22			Exclusive license agreement to develop monotherapy that links growth factor signaling with downstream pathways to regulate cell proliferation.	Partnership	905	90	Biotech / Pharma
5/12/22			Developer of FDA-cleared AI software to aid in image reading for both 2D & 3D mammography.	Financing	16	N/A	HealthTech
5/12/22			Developer of breakthrough, FDA-approved treatment for improving quality of life for heart failure patients.	Financing	101	N/A	MedTech
5/13/22			Provider of fully integrated platform of solutions to address pricing, access, reimbursement & product delivery challenges for life sciences companies.	Secondary Transaction	1,750	N/A	Services
5/16/22			Developer of proprietary computational platform for developing best-in-class technologies & medicines in gene therapy.	Financing	271	N/A	Biotech / Pharma
5/18/22			License agreement for further development of macromolecular tumor project oncology candidate.	Partnership	1,407	47	Biotech / Pharma

OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

May 2022 Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
5/19/22	DECIPHEX		Provider of pathology software & services to support rapid test turnaround times & high-quality patient care.	Financing	12	N/A	Life Science Tools
5/30/22	RIGENERAND Steps Ahead in Cell Technology	evotec	Operator of certified facility integrating state-of-the-art cGMP production with R&D, QC & development labs.	M&A	25	25	Services
5/31/22	CardioDiagnostics	Mana Capital Acquisition Corp.	Developer of highly-sensitive & accessible clinical test used to assess the 3-year risk for coronary heart disease.	SPAC	84	N/A	Diagnostics
5/31/22	REPERTOIRE GENESIS	eurofins	Developer of proprietary analytical platform enabling scientists to determine specific pathophysiological status of immune responses.	M&A	Undisclosed	Undisclosed	Life Science Tools
5/31/22	OPEN HEALTH	astorg.	Global provider of scientific communications & market access services for pharmaceutical commercialization.	M&A	Undisclosed	Undisclosed	Services
5/31/22	Affinivax	gsk	Clinical-stage biopharma company developing novel class of vaccines including next-generation pneumococcal vaccines.	M&A	3,300	2,100	Biotech / Pharma

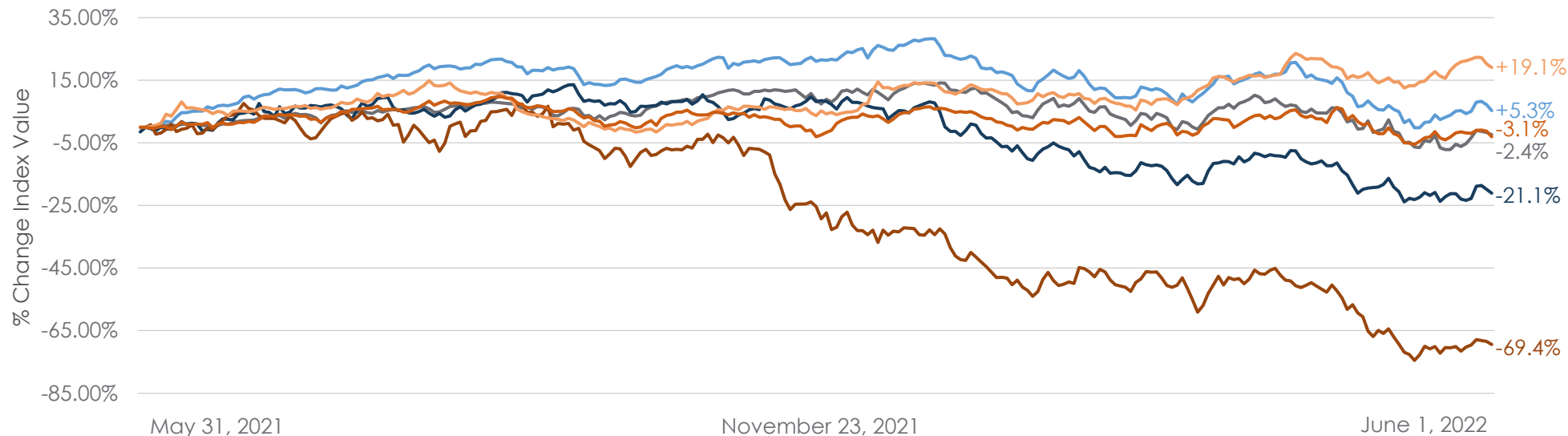




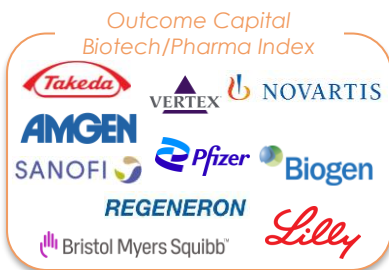
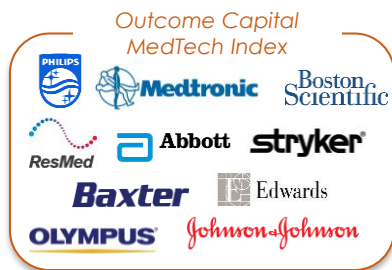
Outcome Index Tracker

OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

Outcome Capital Index Tracker (LTM)



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





OUTCOME
CAPITAL

PULSE



99 High Street
Suite 2900
Boston, MA 02110
(617) 431-2278

Reach the Right Outcome

www.outcomecapital.com

