



Outcome Capital Life Sciences Market Pulse

June 2022

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



Highlighted Transactions

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Boston Scientific Taps M.I.Tech To Bolster Endoscopy & Urology Portfolios



Target

\$230M

Deal Size

Boston
Scientific

Buyer

“

Boston Scientific has continued their aggressive pursuit of inorganic growth by acquiring a majority stake (64%) in M.I.Tech. This acquisition comes less than a year after the >\$1B acquisitions of Lumenis' surgical business and Baylis Medical Company. Like their past deals, Boston Scientific was intimately familiar with the M.I.Tech portfolio focusing on non-vascular stents for endoscopy and urology applications as they had been distributing in Japan since 2015. Beyond the impact the deal has on Boston Scientific's portfolio, it is representative of a broader market trend in the MedTech industry where acquirers are seeking to invest in and acquire companies they had previous relationships with. As such, early-stage MedTech companies must keep an open mind when discussing deal structures; regional distribution partnership or early-stage equity investment can result in lucrative exits long term.

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Radius Exits Public Market In A Value Maximizing Strategic Transaction



RADIUS®

Target

\$890M

Deal Size



GURNET POINT
CAPITAL



PATIENT
SQUARE
CAPITAL

Investors



Radius Health is a commercial biopharmaceutical company focused on addressing unmet medical needs in the areas of bone health and neuroscience. In mid-June of this year, Radius Health (RDUS) announced that it had entered into a definitive agreement to be acquired by Gurnet Point Capital and Patient Square Capital for a total consideration of \$890 million. Per the terms of the agreement, all outstanding shares will be acquired for \$10.00 per share, plus a contingent value right (CVR) of \$1.00 per share. The CVR is payable once Radius Health's lead drug Tymlos (abaloparatide) net sales reach \$300 million, during any consecutive 12-month period prior to Dec 31, 2025. Tymlos accounted for \$219 million in sales last year, up from \$208 million in 2020. The decision to go private by Radius Health follows a nine-month strategic review process by the Radius board of directors and was intended to maximize shareholder value. The company had been facing rough waters of late. Going private is an attractive and viable alternative for many public companies. Being acquired can create significant financial gain for shareholders and CEOs while fewer regulatory and reporting requirements for private companies can free up time and money to focus on long-term goals.



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CureVac Accelerates Oncology Strategy with Acquisition of Frame Cancer Therapeutics

frame
cancer therapeutics
Target

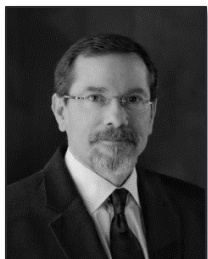
\$34M
Deal Size

CUREVAC
the RNA people®
Buyer

“

Hollywood's John Houseman became an icon in the early '80s when, speaking on behalf of an investment firm, he said "We make money the old-fashioned way. We earn it." In the world of cancer drug and vaccine development, though, a lot has changed since the early '80s and relying on the old-fashioned way just may not be good enough. Case-in-point: Global biotech CureVac develops mRNA-based medicines, while 3-year-old start-up, Frame Cancer Therapeutics, has a bioinformatics platform that has the potential to identify a broad panel of neoantigens that go beyond conventional neoantigens. Because Frame's platform could strongly increase the likelihood of developing highly effective cancer vaccines, CureVac acquired Frame in June for just over \$34 million. CureVac's goal is to combine the power of mRNA vaccines with the smarts of advanced genomics and bioinformatics-driven neoantigen identification to create a new class of cancer vaccines. There is absolutely nothing old-fashioned about it. The reason for Frame's success? The right therapeutic area, the right technology, the right time, and at a price that got the deal done.

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Private Equity's Boomerang Buy Backs: TPG Capital Takes Convey Health Private



Target

\$1.10B

Deal Size



Buyer



TPG Capital announced its intention to take Convey Health Solutions Holdings (CNVY) private acquiring the company for the second time, betting on the potential synergies of a robust payer tech and care services portfolio and that the current public market downturn is unnecessarily hamstringing (even) high-growth, high-potential HealthTech companies. The \$1.1B deal was announced almost a year to the day after the company's NYSE debut and represents a 3.13x multiple of TTM revenues and a 30.19x multiple of TTM EBITDA. TPG acquired Convey Health, which provides outsourced benefits and administration services for government-sponsored health plans, in July 2019 for \$750MM from New Mountain Capital. TPG and Clayton Dubilier & Rice also agreed to re-acquire Coventrus recently, and TPG acquired another payer tech company, ClaimsXten, in April from Optum for \$2.2B. These deals are further evidence of the fact that public market investors are not currently able to recognize even those public HealthTech companies with standout performance metrics (i.e., can't see the trees for the FUD). To wit, Convey Health projects both revenue and EBITDA growth of about 18% year over year for 2022, saw EBITDA growth of nearly 35% in 2021, and has consistently beat consensus numbers.



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Growth Opportunity In Life Science Tools Segment



 **sptlabtech**

Target

\$775M

Deal Size

EQT

Buyer

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SPT Labtech's focus on automated liquid handling, cryo-EM sample prep and sample management places them throughout the research laboratory. Through SPT's internal product development pipeline and a bolt-on transactions strategy, they have seen consistent growth. Now, the announced acquisition by EQT will provide additional growth capital to help accelerate SPT Labtech's growth organically and inorganically. While this acquisition signals EQT's continuing efforts to prioritize their life science tools investing.

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Knowledge & Analytics Assets Attract Financial Interests



Target

Undisclosed

Deal Size



Buyer

“

The knowledge and analytics space continues to be a source of private equity interest, especially for platforms catering to the capital-intensive life sciences and healthcare industries. With this acquisition, Frazier looks to be executing on a platform investment putting DRG's former CEO, Vivek Sharma, at helm as Executive Charmain. Look for Frazier to attach select bolt-on acquisitions to enhance Apollo's already advanced suite of digital analytics offerings. CEO's in the space should take notice: just as many major consulting firms retain a private partnership in lieu of floating public shares, private equity is becoming a friend to middle-market, growth-oriented service providers.

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BMS Leveraging Owkin's Digital Solutions To Augment Clinical Trials



Target

>\$180M

Deal Size



Partner



In partnering with Owkin, BMS continues to emphasize their strategy to supplement preclinical and clinical development with digital health and big data. Owkin's platform combines patient level biological data with machine learning techniques to identify the best treatment for each patient. By incorporating the Owkin platform into clinical trials, BMS will effectively design trial endpoints and analyze patient subgroups to inform patient selection and thereby increase probability of success/approval. As part of the up-front payment, which includes a collaboration payment for cardiovascular indications, BMS will also make an equity investment in Owkin that will enable the company to bolster their biological database across disease states, which therein, increases the possibility to expand the collaboration into future indications.



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Strategic Partnerships Offer Value & Leverage In The Production of Novel Therapies



Target

\$1.48B

Deal Size



Partner

“

Precision Biosciences entered a collaboration with Novartis to apply their proprietary ARCUS Genome Editing Platform to cure blood diseases (e.g. Sickle Cell Disease & Beta Thalassemia). Precision aims to leverage the accuracy of their ARCUS nuclease to successfully complete in vitro studies, with Novartis taking responsibility for development after proof of concept. The promise of gene editing to generate transformative 1-shot cures continues to drive deal values as biopharma leaders scramble to become the first to offer such a treatment. Novartis is betting on the quality of the ARCUS platform to deliver an actionable product with \$1.4 billion deal and \$75M guaranteed up-front. These transaction values signify the enormous potential global pharmaceutical leaders are assigning to a largely unproven clinical space with Roche, Bayer, Sanofi, & Astellas Pharma all recently assigning billion-dollar valuations to assets in this market. Effective in vivo gene editing therapies remain elusive, but this recent market activity continues to paint the picture that gene editing will remain a top priority of industry leaders.

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June 2022 | Transaction Lineup

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June 2022 Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
<u>6/1/22</u>	MOXE	PIPER SANDLER 3M Apollo Global Capital V VENSANA CAPITAL	Developer of an integration platform to facilitate the exchange of clinical data between health plans and provider systems	Financing	30	N/A	HealthTech
<u>6/2/22</u>	OrangeHealth	BI Bertelsmann Investments Y Combinator GENERAL CATALYST UNCORRELATED VENTURES GO'OD CAPITAL	A DTC diagnostics service intended to revolutionize telemedicine by offering a range of at-home diagnostic tests	Financing	25	N/A	Diagnostics
<u>6/3/22</u>	Turning Point Therapeutics	Bristol Myers Squibb	Clinical-stage biopharmaceutical company involved in designing and developing targeted oncology therapies.	M&A	4,100	4,100	Biotech
<u>6/6/22</u>	Alectos	Biogen	A biopharmaceutical company intended to discover and develop small-molecule therapies for treatment of human diseases.	Partnership	723	15	Biotech
<u>6/6/22</u>	Parata	BD	Developer of a scalable automation technology portfolio intended for pharmacies.	M&A	1,525	Not Disclosed	HealthTech
<u>6/7/22</u>	Apollo Intelligence	FRAZIER HEALTHCARE PARTNERS	Provider of technology-driven data and insights intended to accelerate innovation within marketing and decision-making.	M&A	Not Disclosed	Not Disclosed	HealthTech

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<u>6/8/22</u>	OWKIN	Bristol Myers Squibb	Developer of machine learning tools designed to augment medical and biological research.	Partnership	>180	80	HealthTech
<u>6/9/22</u>	frame cancer therapeutics	CUREVAC the RNA people®	Developer of patient-specific immunotherapy utilizing host's neoantigens for the treatment of cancer.	M&A	34	Not Disclosed	Biotech
<u>6/9/22</u>	H1	ALTIMETER NOVARTIS GLYNN CAPITAL FLEX CAPITAL MENLO VENTURES GOLDMAN SACHS TRANSFORMATION CAPITAL LEEDGE	Developer of healthcare data analytics platform designed to assist companies to make smarter scientific decisions.	Financing	123	N/A	HealthTech
<u>6/13/22</u>	GUARDANT HEALTH	GUARDANT	Operator of precision oncology research company offering diagnostic development to accelerate clinical programs.	M&A	178	Not Disclosed	Diagnostics
<u>6/14/22</u>	excelera DCE A Direct Contracting Entity	Future Health ESG corp	Operator of care delivery platforms enabling physicians to succeed in Medicare's value-based delivery programs.	M&A	459	N/A	HealthTech
<u>6/14/22</u>	Pega Medical™	OrthoPediatrics®	Developer of osteosynthesis and deformity correction devices designed for patients suffering from a variety of bone deformities.	M&A	33	Not Disclosed	MedTech



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6/14/22	ENDPOINT OUTCOMES	Lumarity	Specializes in the documentation of patient outcomes post treatment and is focused on health-related quality of life	M&A	Not Disclosed	Not Disclosed	HealthTech
6/15/22	M.I.Tech	Boston Scientific	Korean manufacturer and distributor of medical devices for endoscopic and urologic procedures.	M&A	230	Not Disclosed	MedTech
6/16/22	aidoc	Alpha Intelligence Capital TCV 中華開發資本 CDB CAPITAL GROUP	Developer of decision support software that analyzes medical imaging and patient data to pinpoint anomalies for radiologists.	Financing	110	N/A	HealthTech
6/16/22	ONKOS SURGICAL*	1315 CAPITAL SV HEALTH INVESTORS Canaan 3D SYSTEMS	Developer of precision orthopedics designed to reduce complexity and address complex cancers and conditions.	Financing	27	N/A	MedTech
6/21/22	CellPoint	Galápagos	Designed an unconventional CAR-T manufacturing and supply model to treat hematological malignancies.	M&A	225	125	Services
6/21/22	PRECISION BIOSCIENCES	NOVARTIS	A genome editing company dedicated to improving life through its genome editing platform, ARCUS.	Partnership	1,475	75	Biotech



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Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
<u>6/21/22</u>			Developer of gene analytics technology designed to provide information regarding numerous common diseases.	Financing	23	N/A	Diagnostics
<u>6/21/22</u>			A healthcare platform utilizing technology and processes to improve government-sponsored health plans.	M&A	1,100	Not Disclosed	HealthTech
<u>6/22/22</u>			Manufacturer and designer of automated instrumentation and consumables for life science research.	M&A	775	Not Disclosed	Life Science Tools
<u>6/23/22</u>			Biopharmaceutical company which develops and commercializes endocrine therapies for osteoporosis and oncology.	M&A	890	Not Disclosed	Biotech
<u>6/27/22</u>			A clinical-stage biopharmaceutical company utilizing epigenetic medicines to treat various cancer and other diseases.	M&A	417	247	Biotech
<u>6/30/22</u>			Developer of next-generation microcatheters designed to help in peripheral & coronary total occlusions.	Financing	Not Disclosed	Not Disclosed	MedTech



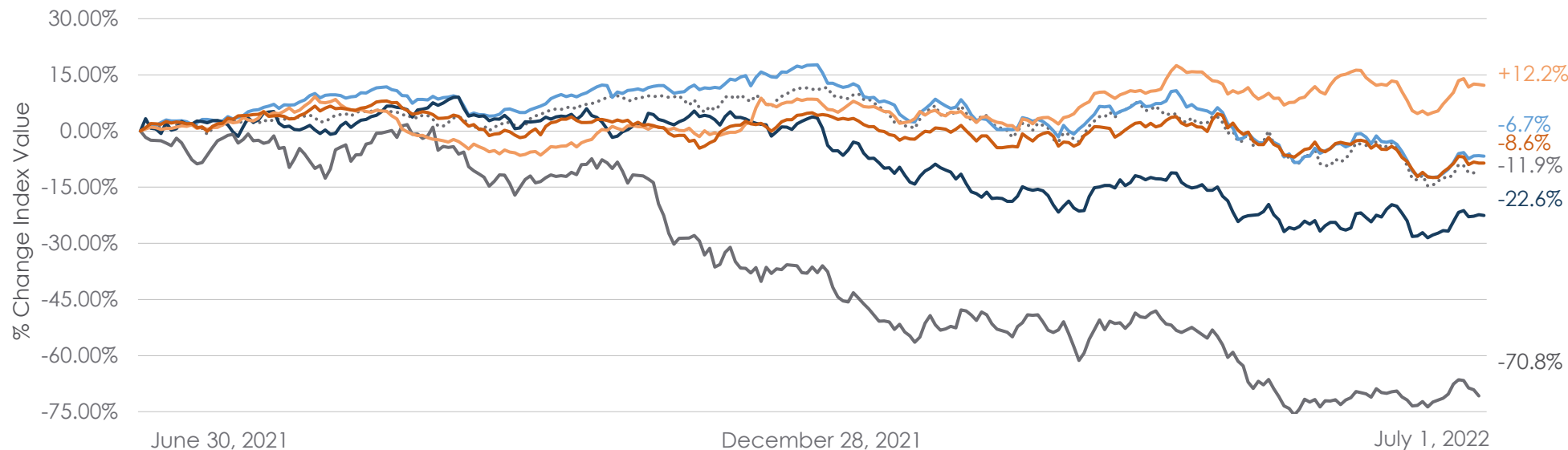


Outcome Index Tracker

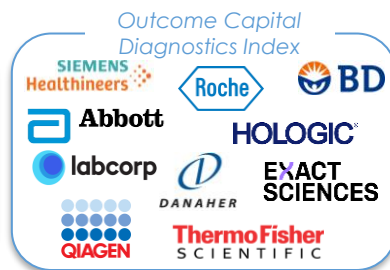
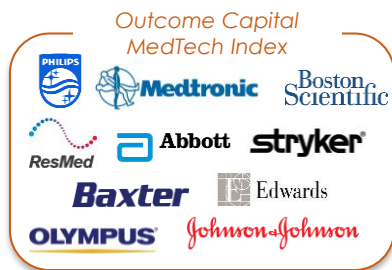
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Outcome Capital Index Tracker (LTM)



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





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