



Outcome Capital Life Sciences Market Pulse

August 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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Alcon Becomes Fully-Integrated Ophthalmology Company



Target

\$770M

Deal Size

Alcon

Buyer

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After a series of three medical device acquisitions in 2017 and 2018, Alcon (SIX/NYSE: ALC) spun-off to become a standalone, publicly traded company in 2019. Since becoming a standalone company, Alcon has focused on offering first-in-class medical devices to treat different ophthalmic diseases as well as eye care products. As such, the company's portfolio consists of solutions across a broad range of procedure types including cataract surgery and vitreoretinal surgery. In fact earlier this year, Alcon acquired Ivantis, Inc. which solidified their device portfolio through the addition of the Hydrus® Microstent. Interestingly, now three years after the 2019 spin-off from Novartis, Alcon has re-entered the pharmaceutical market with the acquisition of Aerie Pharmaceuticals (NASDAQ: AERI) for >\$750M. Through the acquisition, which is expected to be accretive in 2024, Alcon will be able to integrate a portfolio of approved drugs into their commercial channels and will expand their pipeline of solutions. All in all, this acquisition signals Alcon's desire to remain a leader in ophthalmic care.

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Employing Risk- & Reward-Sharing Principles To Structure A Win-Win Transaction



Target

\$25M

Deal Size



Investors

“

Within a complementary infrastructure, there is always interest in adding highly-differentiated assets. For Eagle's current hospital critical care portfolio, Enalare's novel respiratory stimulant drug (ENA-001) can provide both diversification as well as long-term, IP-protected growth. However, the drug is still in development, so the two companies have structured a deal that provides \$25M to Enalare as a current equity investment, an additional \$30M in potential milestone-based equity investments, and an option for Eagle to acquire all remaining Enalare shares for an aggregate purchase price ranging from \$100-\$175 million plus royalty rights. Eagle has leveraged its balance sheet to invest in pipeline growth while Enalare has gained access to capital and a robust infrastructure and commercial platform to develop and launch its drug. Enalare's shareholders now have a well-funded investment with a clear path to exit and a defined exit valuation range with additional upside potential via royalties. Kudos to all.

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Home Is Where The Money Is: Biofourmis Adds To Its Series D



Target

\$20M

Deal Size

intel
capital

Investors

“

Boston-based 'unicorn' and remote home care company Biofourmis added a \$20M extension from Intel Capital, bringing its Series D round total to \$320M, total fundraising to \$460M, and its most recent valuation to \$1.5B. All eyes – and much of the recent deal flow (e.g., Honor, Papa, Tomorrow Health, Homeward, Current Health, Vytalize Health, CareCentrix, and Signify Health, among others) – are seemingly on and flowing into the home care space, a result of recent changes across multiple market forces, including the pandemic, the trending “hospital at home” concept, a U.S. healthcare system that is (at least) currently focused on cost-cutting measures, a natural progression of technology and changing patient preferences. Founded in 2015, Biofourmis utilizes machine learning-based, predictive data analytics, remote monitoring tech, and its Care@Home platform (launched in February) for providing primary care and treating numerous chronic conditions such as heart failure, atrial fibrillation, diabetes and hypertension, seeking to “lower costs across the entire care continuum” and to provide personalized care at scale. The company plans to use the newly invested dollars to expand its virtual offerings, including digital therapeutics, funding additional clinical trials and looking at potential strategic partnership and M&A deals, with a likely focus on digital health companies.

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Digital Diagnostics Financing Supports Expanded Application Development



Target

\$75M

Deal Size

KKR

8VC

Edward-Elmhurst
HEALTH

OPTUM

KINDERHOOK
PARTNERS
Venture Capital

CEDARPINE

GUNDERSEN
HEALTH SYSTEM.

OSF
HEALTHCARE



Investors

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Digital Diagnostics has led the way in using AI-guided algorithms to better diagnose & enable earlier treatment of diabetic retinopathy by primary care physicians. This Series B investment led by KKR will provide the growth funding to expand their commercial efforts & allow Digital Diagnostics to expand their AI technology in the detection of various skin diseases, providing primary care physicians with the tools & technologies needed to deliver effective treatments prior to disease progression.

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Target

Undisclosed

Deal Size

Boston
Scientific

Buyer

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In their last quarterly earnings call, Boston Scientific (NYSE: BSX) noted interest in near-term tuck-in acquisitions. Likely, the Obsidio deal was already in process at the time, and BSX was making good on their contemplated growth strategy. Of note for entrepreneurs in the MedTech space is that Obsidio's GEM technology solved a longstanding issue with competing embolization technologies: the application process. Neither existing solid- or liquid-based competitors offer the ease-of-use Obsidio provides, and the technology uniquely fits into both the oncology and embolization business units of BSX.

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MiroBio's Checkpoint Inhibitor Atlas Entices Gilead Acquisition

mirö**bio**

Target

\$405M

Deal Size



GILEAD

Creating Possible

Buyer

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The utility of checkpoint inhibitors in ramping the immune response has been well-documented in clinical practice, with Keytruda and Opdivo being cornerstone immune-oncology (IO) treatments for Merck and BMS, respectively. The applicability of checkpoint inhibitors extends far beyond oncology into other leading immunology indications, which has been investigated by strategics including Eli Lilly, AnaptysBio and MiroBio. After their recent \$97M financing from leading investors including Medicxi and OrbiMed, MiroBio became the target of acquisition by Gilead, who seeks to leverage the discovery platform, I-ReSToRE. In addition to MiroBio's clinical assets, the I-ReSToRE platform, supported by the research from University of Oxford, enables Gilead to develop a far-reaching pipeline supporting their current immunology initiatives. Now with another global strategic entering the field, it will be exciting to see how the checkpoint inhibitor market develops outside of IO.

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Structure Therapeutics Raises Series B To Fund Structure-Based Drug Discovery Platform



Target

\$33M

Deal Size



Investors

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Despite the continuing, well-deserved, attention biological therapeutics continue to receive, Structure Therapeutics secured \$33M in to fund their small molecule therapeutic development platform following positive Phase I results. The company will use the funding to advance clinical development for novel GPCR-targeting therapeutics aimed to treat Type 2 Diabetes, Pulmonary Hypertension, & Pulmonary Fibrosis. The company is seeking to leverage the abundance of structural information on GPCR dynamics to inform machine learning protocols and perform in silico compound screening thereby vastly expanding the pool of potential lead inhibitors. Lead predictions resulting from this computational platform are synthesized and tested at the bench and assessed for clinical potential. The Structure Therapeutics platform offers value by eliminating time consuming high-throughput screening steps while simultaneously enabling broad conformational testing to develop therapeutics with higher specificity and fewer off-target effects. BVF Partners led the funding syndicate betting on Structure Therapeutics to deliver a technology-based solution to reduce the extensive time and cost burdens of bringing novel therapies to market, a highly sought-after outcome by both the US FDA and Big Pharma.

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Olympus Follows MedTech Leaders With Divestiture Of Evident



EVIDENT

Target

\$3.1 B

Deal Size

 **BainCapital**

Buyer



Recently, MedTech leaders have been engaging in a series of spin-out or divestitures (i.e., Zimmer Biomet/ZimVie, Cardinal Health/Cordis, 3M, Johnson & Johnson) in effort to solidify corporate profile and focus growth strategies. Olympus joins other MedTech giants with the divestiture of its Evident subsidiary, composed of microscopes and other testing equipment, to Bain Capital for >\$3B. As the industry continues to assign premium value to digitized technologies, traditional device players have responded by selling off commoditized business units and reinvesting that capital into highly-differentiated, tech-enabled product portfolios. It will be interesting to see what consolidation trends emerge as a result of new market dynamics created by these corporate restructurings.



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August 2022 | Transaction Lineup

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August 2022 Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
8/1/22	STRUCTURE THERAPEUTICS	DEEP TRACK CAPITAL PIPER SANDLER PIPER HEARTLAND HEALTHCARE CAPITAL	Clinical-stage biopharma company developing novel oral therapies to treat chronic diseases with unmet needs.	Financing	33	N/A	Biotech / Pharma
8/1/22	GLUBIO	QIMING 礼来亚洲基金 Lilly Asia Ventures KAITAI CAPITAL	Biotech company developing novel targeted protein degradation drugs for multiple therapeutic areas including oncology & immunology.	Financing	22	N/A	Biotech / Pharma
8/4/22	mirebio	GILEAD Creating Possible	Biotech company focused on restoring immune balance with agonists targeting immune inhibitory receptors.	M&A	405	405	Biotech / Pharma
8/4/22	CHEMOCENTRYX	AMGEN	Biopharma company developing orally administered therapeutics to treat autoimmune diseases, inflammatory disorders & cancer.	M&A	3,700	3,700	Biotech / Pharma
8/9/22	ENALARE	EAGLE PHARMACEUTICALS	Clinical-stage biopharma developer of novel therapies for patients with acute respiratory & critical care conditions.	Financing	25	13	Biotech / Pharma
8/9/22	metrics contract services	Catalent	Full-service specialty CDMO with comprehensive capabilities to accelerate & de-risk customer programs from early development through launch.	M&A	475	475	Services



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8/9/22	cerevance	MERCK	Research collaboration to identify novel targets for Alzheimer's disease using proprietary Nuclear Enriched Transcript Sort Sequencing platform.	Partnership	1,125	25	Biotech / Pharma
8/10/22	biofourmis	intel capital	Developer of clinically-validated machine learning & advanced analytics platform to enable better healthcare & lower costs across the care continuum.	Financing	20	N/A	HealthTech
8/10/22	gentibio	Bristol Myers Squibb	Collaboration to develop new engineered Treg therapies to re-establish immune tolerance & repair issue for IBD patients.	Partnership	1,900	Undisclosed	Biotech / Pharma
8/15/22	BSIDIO	Boston Scientific	Developer of Gel Embolic Material technology used for embolization of blood vessels in peripheral vasculature.	M&A	Undisclosed	Undisclosed	MedTech
8/16/22	DRA Consulting	PHARMALEX <small>CONFIDENCE BEYOND COMPLIANCE</small>	Leading regulatory consultancy in Nordic region providing end-to-end services including market access & reimbursement.	M&A	Undisclosed	Undisclosed	Services
8/16/22	ALIVACOR	GE Healthcare NGK INTK <small>GLOBAL PARTNERS</small> PEGASUS BOLD ventures Qualcomm <small>GLOBAL PARTNERS</small> khosla ventures	Developer of FDA-cleared personal ECG technology to aid in the detection of atrial fibrillation.	Financing	150	N/A	MedTech



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8/22/22	aerie®	Alcon	Pharma company focused on developing first-in-class ophthalmic therapies for glaucoma, dry eye & other eye diseases.	M&A	770	770	Biotech / Pharma
8/22/22	STANDARD BARIATRICS®	Teleflex	Commercial-stage developer of innovative powered stapling technology for bariatric surgery procedures.	M&A	300	170	MedTech
8/23/22	DIGITAL DIAGNOSTICS <small>At the right way</small>	KKR KINDERHOOK PARTNERS CEDAR PINE GUNDERSEN OPTUM Edward-Elmhurst HEALTH SYSTEM OSF HEALTHCARE 8VC Venture Capital	Developer of AI-enabled diagnostics systems for eye & skin diseases to transform standard of care.	Financing	75	N/A	MedTech
8/23/22	ONESOURCE REGULATORY	PROPHARMA GROUP®	Provider of pre- & post-approval regulatory, medical & marketing operations services from development to commercial stages.	M&A	Undisclosed	Undisclosed	Services
8/29/22	EVIDENT OLYMPUS	BainCapital PRIVATE EQUITY	Leading manufacturer of microscopes, videoscopes & remote visual inspection devices for life sciences & industrial applications.	M&A	3,100	3,100	MedTech
8/29/22	theranica	LionBird Lightspeed aMoon TAKO NEW RHEIN	Prescribed digital therapeutics company developing neuromodulation devices for migraine.	Financing	45	N/A	MedTech





Outcome Index Tracker

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Outcome Capital Index Tracker (LTM)





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