



Outcome Capital Life Sciences Market Pulse

October 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 and healthcare 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 Sciences 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 Sciences 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

Cordis Begins New Era With Transformative Acquisition Of MedAlliance



Target

\$1.135B

Deal Size

Cordis

Buyer

“

Cordis is an established brand name in the cardiovascular medical device industry. Despite this, the company has been through numerous noteworthy transactions, including being acquired by J&J then sold to Cardinal Health and most recently being divested to Hellman & Freidman and KKR. Now with aggressive and incentivized financial sponsors, Cordis is ready to re-establish itself among the leaders in minimally invasive cardiovascular procedures. To accelerate growth, Cordis acquired MedAlliance in a deal potentially worth >\$1B. The acquisition brings Cordis' story full circle going back to the initial launch of the drug-eluting Cypher stent over 20 years ago. MedAlliance's CE-marked technology enables the extended release of sirolimus from peripheral and coronary stents to improve patient outcomes.

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Lilly Capitalizes On Declining Biotech Stocks To Expand Gene Therapy Portfolio

AKOUCOS

Target

\$610M

Deal Size

Lilly

Buyer

“

Eli Lilly has capitalized on the biotech bear market to snap up hearing loss gene therapy player Akouos for \$487M upfront. The deal will give Lilly control of a treatment for a genetic form of hearing loss that is advancing toward a Phase 1/2 trial just ahead of Decibel Therapeutics' rival candidate. Boston-based Akouos' pipeline is led by AK-OTOF, a gene therapy for the treatment of hearing loss due to mutations in the OTOF gene. Akouos went public in 2020, selling shares at \$17 a pop to raise \$244M. After initially climbing to trade above \$20, the stock began a steady decline last year, causing it to fall to a 52-week low of \$2.30. The collapse of Akouos' share price created an opportunity for buyers. Lilly got the deal done at \$12.50 a share, plus up to \$3 per share tied to the achievement of three milestones. The price is well down on the level the stock traded hands at in 2020, even when the extra \$3 is factored in, but represents an almost 80% premium over Akouos' closing price yesterday and a more than 400% increase over the 52-week low. The value of the deal will swell to \$610M if all the milestones are hit. Akouos had the money to forge ahead as a standalone but has decided to cash out amid a challenging financial environment and let Lilly take AK-OTOF into the clinic. News of the deal comes almost two years after Lilly agreed to buy Prevail Therapeutics, a gene therapy biotech that also experienced a share price slump after going public.

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Odyssey Therapeutics Fills Its Coffers



Target

\$168M

Deal Size

GENERAL CATALYST

FORESITE CAPITAL

OrbiMed GREATPOINT

COL VENTURES

ALEXANDRIA Venture Investments

CATALIO CAPITAL MANAGEMENT

LOGOS HBM CAPITAL

Investors

SR One svb

WALLEYE CAPITAL

WOODLINE PARTNERS

Healthcare Investments

CREACION

“

In choppy markets, scale matters. In October, Odyssey announced a \$168M Series B financing. This funding follows the company's \$218M Series A round in the midst of the COVID lockdown in 2021. In the shadow of an uncertain economic outlook, there is also safety in numbers - with existing investor participation, this Series B syndicate included roughly 20 investment firms. Led by serial entrepreneur, Dr. Gary Glick, Odyssey's immunology and oncology portfolio encompasses multiple programs initially focused on small molecule and protein therapeutics. In addition, Odyssey is building a discovery engine that integrates artificial intelligence and machine learning for molecular design; a chemistry platform encompassing proprietary covalent libraries targeting multiple amino acids, molecular glues and natural products; and a functional genomics platform for novel target discovery. The synthesis of cutting-edge technologies with therapeutics under one umbrella has created a compelling investment proposition and attracted significant capital.

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Tempus Secures Another \$275M Toward “Making All Diagnostics Intelligent”

TEMPUS

Target

\$275M

Deal Size

ARES

Google

NEA novo holdings



T.RowePrice

Investors

“

Chicago-based biotech firm Tempus Labs announced a \$275M combination round of equity (\$100M from existing investors and founder Eric Lefkofsky) and debt (\$175M from Ares Management) financing. “This is not your average raise,” was one journalist’s take. Certainly, that is true for numerous reasons, chiefly that this precision medicine “startup” has cumulatively raised over \$1.3B since it was founded in 2015 by Groupon co-founder Eric Lefkofsky. Tempus is also unique because it is one of the few startups that is changing the way that oncologists practice, leveraging an ever-expanding dataset (> 60 petabytes) which draws from its work with >40% of oncologists at academic medical centers and community hospitals and 52 of the 72 NCI designated cancer centers as customers in the U.S. alone. Tempus’ disease agnostic, AI-enabled platform produces results that are contextualized for each patient and helps physicians personalize treatment decisions for their patients – across conditions and disease states, not only cancer. The deal is also very telling as to current market conditions, as Tempus raised the latest round at the same valuation (\$8.1B) as its last raise of \$200M at the end of December 2020. The round before that? Another \$100M round, just 9 months prior, at a \$5B valuation. As is typical these days, news of the financing followed on some very positive news on the revenue side, with Tempus receiving a \$70M upfront as part of a multi-year, milestone-based partnership with GSK, to improve speed and efficiency in clinical trials and to find new drug targets.

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ThermoFisher Bolsters Specialty Diagnostic Portfolio With The Binding Site

**Binding
Site** 
Target

\$2.6B
Deal Size

ThermoFisher
SCIENTIFIC
Buyer

“ThermoFisher is continuing to build up their specialty diagnostic offerings with their acquisition announcement of The Binding Site. The Binding Site platforms and reagents will dovetail well with ThermoFisher's current offerings in allergy and autoimmune testing, while greatly enhancing their offerings in cancer diagnostics. This continued expansion of specialty diagnostic products will allow ThermoFisher to better leverage both their significant sales organization and capture additional customers but also their large operations footprint to further drive efficiencies and improve margin.”



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Merger Of Equals Creates New Strategic Orthopedic Player



\$693M

Combined Revenue*



Announced just prior to the spine industry's annual flagship conference hosted by the North American Spine Society (NASS), the merger of SeaSpine and Orthofix piqued the interests of many business development and corporate development groups. Now equipped with a full suite of spinal implants and biologics, along with a dedicated and ever-growing sales force, look for SeaSpine and Orthofix to quickly integrate their franchises and wring out cost synergies. Market leaders are likely to be taking notice of emerging competition – look to them to leverage strategic tuck-in acquisitions in the near-term.



Thomas Busby

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Target

\$599M

Deal Size



Partner

“

Boehringer Ingelheim is the first strategic to team up with Surrozen, a clinical-stage biotech company focused on developing therapeutics targeting the Wnt-signaling pathway. Surrozen successfully raising \$133M through three private financing rounds, which they then followed with a \$212M SPAC transaction. After recent struggles in the public market, like much of the industry, Surrozen sought external partners. This deal with BI, which nets Surrozen \$12.5M up-front, will focus on developing the company's bispecific antibody in retinal vascular diseases. In addition to the research and operational support BI will offer to improve probability of clinical success, Surrozen will also retain significant upside for their pipeline in IBD and severe alcoholic hepatitis; a win-win scenario to push Surrozen forward.

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Abbvie Acquires DJS Antibodies For Platform Technology & Pre-Clinical Product



\$255M

Deal Size

abbvie

Buyer

“

AbbVie has acquired DJS Antibodies and their antibody discovery platform for a \$255M upfront cash payment and future milestones contingent upon developments of their pre-clinical lead therapeutic aiming to treat IPF. A key driver of this transaction is DJS Antibodies platform, HEPTAD, a proprietary technology that enables discovery of functional antibodies to GPCRs and identification of potential therapeutics for indications where these receptors play a key role (IPF and other chronic fibrotic diseases). Key synergies exist between the two companies where AbbVie can generate numerous potential therapeutics stemming from HEPTAD, while DJS Antibodies will benefit from the immense product development and regulatory expertise from a global biopharma leader. The sizeable upfront commitment from AbbVie for a pre-clinical stage company signifies the promise and value of platform technologies when appropriate synergies exist between an established acquirer and a younger biotech.

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October 2022 | Transaction Lineup

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October 2022 Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
10/2/22	MYOVANT SCIENCES	Sumitovant BIOPHARMA Sumitomo Dainippon Pharma	Biopharma company developing new treatments for uterine fibroids, endometriosis, infertility & prostate cancer.	M&A	1,460	1,460	Biotech / Pharma
10/3/22	LogicBio THERAPEUTICS	ALEXION AstraZeneca	Clinical-stage genetic medicine company developing genome editing & gene delivery platforms for rare & serious disease.	M&A	79	79	Biotech / Pharma
10/4/22	miRecule RNA Therapeutics	sanofi	Discovery platform developing best-in-class antibody-RNA conjugate for treatment of facioscapulohumeral muscular dystrophy.	Partnership	400	30	Biotech / Pharma
10/4/22	voyager THERAPEUTICS	Pfizer	Novel capsid to enable potential gene therapy program against rare neurologic disease target.	Partnership	930	40	Biotech / Pharma
10/6/22	SURROZEN	Boehringer Ingelheim	Bi-specific antibody developed for treatment of retinal vascular-associated diseases.	Partnership	599	13	Biotech / Pharma
10/10/22	InStride Health	VALTRUIS 406 Ventures Mass General Brigham Ventures	Developer of virtual outpatient care for children & teens living with anxiety & OCD providing therapy, coaching & medication management.	Financing	26	N/A	HealthTech



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10/11/22	Naltrexone Therapeutics Inc.	LOVE P H A R M A	Pharma technology company using transdermal delivery of Naltrexone for alcohol & opioid use disorders.	M&A	Undisclosed	Undisclosed	Biotech / Pharma
10/11/22	Neumora	polarispartners AMGEN F+PRIME EXOR ARCH INVUS MUBADALA	Clinical-stage biotech company developing precision medicines for brain diseases through integrating data & neuroscience.	Financing	112	N/A	Biotech / Pharma
10/11/22	nimbus THERAPEUTICS	Lilly	Computational drug discovery engine for novel targeted therapies to activate a specific isoform of AMPK to treat metabolic diseases.	Partnership	496	Undisclosed	Biotech / Pharma
10/11/22	SeaSpine	ORTHOFIX	Global MedTech company focused on surgical solutions for treatment of spinal disorders,	M&A	285	285	MedTech
10/12/22	FOLX	7wire Ventures FORESITE CAPITAL Bessemer Venture Partners DEFINE VENTURES polarispartners	Digital healthcare service provider designed by & for the medical needs of the LGBTQIA+ community.	Financing	30	N/A	HealthTech
10/13/22	ODYSSEY THERAPEUTICS	WOODLINK SR One FORESITE CAPITAL LOGOS HBM GREATPOINT OrbiMed ALEXANDRIA Catalio Fidelity GENERAL CATALYST CREACION T.RowePrice	Biotech company developing next generation precision immunomodulators & oncology medicines.	Financing	168	N/A	Biotech / Pharma

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10/14/22		 	Biotech company leveraging the power of covalency for discovery of precision small molecule medicines.	Financing	100	N/A	Biotech / Pharma
10/17/22		 	Virtual psychiatric care provider offering therapy, medication management & case management services to patients.	Financing	45	N/A	HealthTech
10/17/22			Orthopedic fixation technology company combining mechanical strength & natural bone healing in a non-permanent implant.	Financing	39	N/A	MedTech
10/17/22		 Creating Possible	Investigational, bi-specific antibody binding CD123 & CD3 for the potential treatment of certain blood cancers.	Partnership	1,760	60	Biotech / Pharma
10/18/22			Precision genetic medicine company developing a portfolio of first-in-class adeno-associated viral gene therapies for inner ear conditions.	M&A	610	487	Biotech / Pharma
10/18/22			Independent clinical research study site conducting Phase 2, 3 & 4 trials for Alzheimer's Disease & other neurological conditions.	M&A	Undisclosed	Undisclosed	Services



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10/18/22	MedAlliance	Cordis	Medical device developer of advanced drug device combination products for the treatment of coronary & peripheral artery disease.	M&A	1,135	235	MedTech
10/18/22	JUPITER LIFE SCIENCE CONSULTING	Cognitive Research Corporation	Provider of statistical input to drug development programs in support of regulatory submissions.	M&A	Undisclosed	Undisclosed	Services
10/19/22	Stochastic	BECKMAN COULTER	AI developer of evidence-based decision-making tools for emergency departments in hospitals.	M&A	Undisclosed	Undisclosed	Life Science Tools
10/20/22	TEMPUS	ARES BASILE GIFFORD NEA T.Rowe Price Google novo holdings FRANKLIN TEMPLETON INVESTMENTS	Technology company advancing precision medicine through practical application of artificial intelligence in healthcare.	Financing	275	N/A	Diagnostics
10/24/22	DJS antibodies	abbvie	Biotech company dedicated to discovering & developing antibody medicines targeting difficult-to-drug disease-causing proteins.	M&A	255	255	Biotech / Pharma
10/31/22	Binding Site	ThermoFisher SCIENTIFIC	Global specialist protein diagnostics company developing innovative tests for cancer & immune disorder testing.	M&A	2,600	2,600	Diagnostics

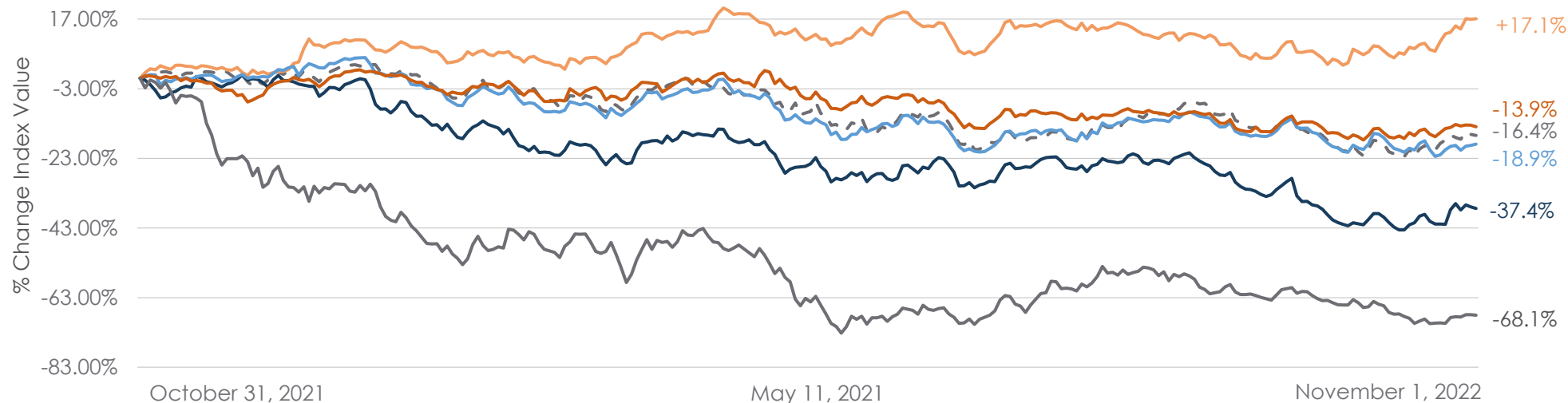




Outcome Index Tracker

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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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