



Outcome Capital Life Sciences Market Pulse

January 2023

Reach the Right Outcome



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OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

Strategic Transactional Insights & Market Trends



Outcome Capital At A Glance...

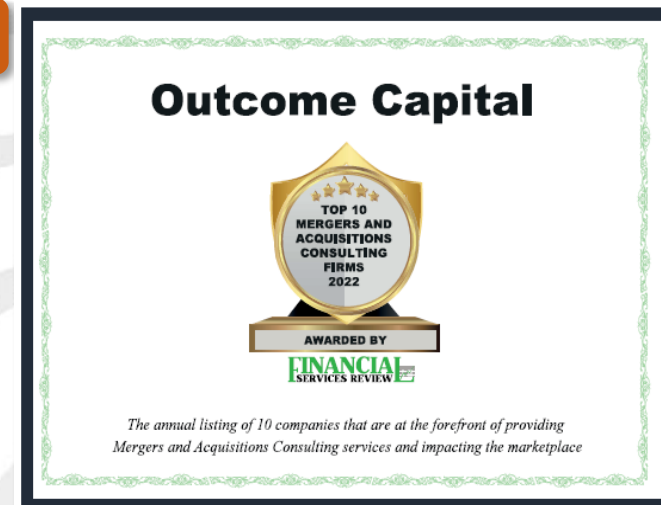
A highly-specialized life sciences and healthcare advisory & investment banking firm providing middle-market transactional expertise underpinned by a value-added, market-aligned approach to strategy execution. Our industry-dedicated specialists leverage significant operational, strategic & scientific 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



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

Outcome Index Tracker

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

Transaction Lineup

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

Highlighted Transactions

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



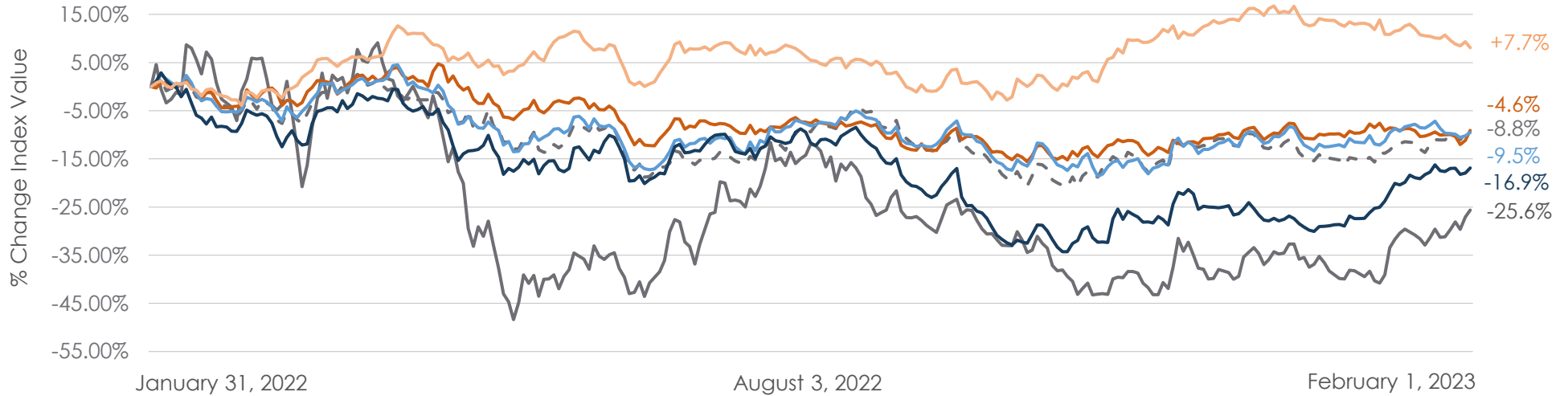
Outcome Index Tracker



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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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Outcome Capital MedTech Index

Outcome Capital Biotech/Pharma Index

Outcome Capital HealthTech Index

Outcome Capital Diagnostics Index

Outcome Capital Services Index



Highlighted Transactions

Shockwave Expands Technology Focus In Cardiovascular Disease



Target

\$147M

Deal Size



Buyer

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Many were likely surprised by Shockwave Medical's acquisition of NeoVasc given Shockwave's focus on lithotripsy therapies; an approach originally used to treat kidney stones. In 2021, Shockwave received approval for the technology in calcified coronary artery disease. Unlike traditional cardiovascular medical devices which rely on pressure-based, drug-eluting stents/balloons, Shockwave utilizes electrical discharges to break up calcium plaques. While the approval has positively contributed to the company's revenue ramp, Shockwave was likely seeking new growth drivers given the limits of their platform. Neovasc presents this opportunity. While Neovasc is a more traditional cardiovascular device, it aligns with Shockwave's strategy to address underserved markets. As incumbents, including Medtronic, Boston Scientific and J&J, control the major segments of the cardiovascular market, new entrants must continue to seek niche opportunities.

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AstraZeneca Inks \$1.8B CinCor Takeover For Blood Pressure Drug

CINCOR

Target

\$1.8B

Deal Size

AstraZeneca

Buyer

“

On the first day of JP Morgan's Healthcare conference, AstraZeneca announced its plans to acquire CinCor Pharma and its lead candidate, baxdrostate in a \$1.8B deal. The promising aldosterone synthase inhibitor was in several clinical trials studying the safety and efficacy in treating hypertension and primary aldosteronism. Capitalizing on a 44% share price crash in late November when baxdrostat clinical trial missed its primary endpoint, AstraZeneca agreed to buy CinCor for \$26/share. A further \$10/share is tied to a specified regulatory submission of a baxdrostat product. If CinCor hits the milestone, the fee will rise from \$1.3B to \$1.8B. The upfront cash portion of the consideration represents a transaction value of ~\$1.3B, a 121% premium over CinCor's closing market price on January 6, 2023. Total consideration including the contingent value right, if the milestone is achieved, would be ~\$1.8B, a 206% premium over CinCor's closing market price on January 6, 2023. There has been "very limited" innovation in the field for years, wherein baxdrostat could be a very important treatment for the patient population. AstraZeneca thinks the mechanism has promise. As well as developing the candidate as a monotherapy, AstraZeneca sees opportunities to combine it with Farxiga to address cardiorenal diseases. While unpartnered, CinCor was aiming to seek approval for the molecule in 2025.

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Ellen Baron, PhD

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Pathalys & Launch Tx Form Co-Development With Accompanying Financing



\$150M
Deal Size



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In 2022, Carlyle bought Abingworth and brought in Launch Tx, which essentially functions as a drug development arm offering biotech companies access to capital along with drug development, medical, clinical operations, regulatory, and commercialization expertise. Here, Pathalys has obtained \$150 million of secured product financing and equity to fund two phase 3 clinical trials, registration efforts and pre-commercialization activities for upacicalcet, its novel calcimimetic for the treatment of SHPT in hemodialysis patients. Similar to its recent partnership with Opthea in late 2022, Launch Tx will take the lead in running Pathalys' clinical trials. Pathalys will be responsible for manufacturing, commercialization and FDA interaction. The Launch Tx model is an option for biotech companies that need funding for late-stage clinical development. This transaction with Pathalys presents an opportunity for Launch Tx to demonstrate the effectiveness of its approach.

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LeanTaaS Acquires Hospital IQ To Become The Newest Digital Health Unicorn



Target

Undisclosed

Deal Size



Buyer



2023 has minted its first digital health unicorn, LeanTaaS, with a newly acquired set of capabilities stemming from its recently announced acquisition of Hospital IQ, an event which served to push the new parent over the billion-dollar valuation mark, and which has created “the largest AI-powered hospital operations software provider in the healthcare technology industry.” The two companies have raised more than \$285M in aggregate, Hospital IQ having raised almost \$50M since it was founded in 2013 and LeanTaaS having raised more than \$235M since 2010, with private equity firm Bain Capital having acquired a majority stake in LeanTaaS last June (along with a “significant” amount of growth capital). Almost immediately after, Bain and LeanTaaS initiated conversations with Hospital IQ about a prospective combination, aiming to become the “air traffic control center” for health systems. In combination, the new entity will provide its predictive analytics and AI/ML based software applications to >180 health systems (representing ~600-700 hospitals), applications which are purposed to optimize hospitals’ utilization of key assets – such as infusion chairs, operating rooms, inpatient beds, and their workforces - with foci on capacity management and patient flow, across hospital departments. Expect more of this kind of transaction in 2023, as a compelling inorganic growth strategy is one of the proven ways to garner the attention of those looking to invest or infuse larger amounts of capital, as a means to subsequently leapfrog the competition in a given market segment.



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Target

\$17M

Deal Size

BIOSYNEX
EASY DIAGNOSTICS FOR LIFE

Buyer

“

Chembio Diagnostics, an industry stalwart having been around since 1985, has entered into a definitive merger agreement for ~\$17.2M with Biosynex. Chembio Diagnostics is another potential COVID casualty. Chembio Diagnostics completed their \$31M IPO in the spring of 2020 looking to bolster manufacturing of their Point-of-Care COVID test and expand sales. However, reduced COVID testing, a limited testing menu and a competitive infectious disease market has hurt Chembio, driving their share price down to ~\$0.35/share. Biosynex (based in France), however, will be able to quickly expand to new markets with this acquisition, while leveraging increase manufacturing and operating efficiencies.

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EMBODY
Repair. Regenerate. Restore.

Target

\$275M

Deal Size



ZIMMER BIOMET

Buyer



Orthopedics M&A has been slow since COVID, and procedure volumes seem to still be struggling to catch up to pre-pandemic levels. That said, there is a growing confidence for resurgence in the sector amidst new technologies and aging strategic portfolios. Zimmer kicked off 2023 with the acquisition of Embody, whose next-gen, collagen-based, bio-fabrication techniques address unmet needs in the sports medicine segment. This is likely to be a harbinger of things to come. CEO's take note: this deal was accretive towards revenues, and only partially dilutive moving to the bottom of the P&L.



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Moderna Strengthens mRNA Leadership Position



\$85M
Deal Size



Given Moderna's immense success developing and commercializing COVID vaccines during the pandemic, the biotech company experienced unprecedented growth and increased market value. In addition to an expedited time to market, the pandemic more importantly enabled Moderna to demonstrate the value of their mRNA technology, but the question remained: how would Moderna capitalize on the momentum? With a strong balance sheet, Moderna focused on bolstering their in-house nucleotide manufacturing capabilities, deploying capital to acquire OriCiro Genomics, the company's first acquisition. OriCiro's cell-free DNA synthesis platform streamlines the mRNA manufacturing process, which will improve margins and accelerate development timelines as the company continues to progress additional applications of mRNA across infectious diseases, cancer, immunology, and pulmonology.



Nick Frame, PhD

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Asimov Secures Series B Funding To Scale Its Synthetic Biology Approach

ASIMOV

Target

\$175M

Deal Size

CPP Investments al6z CASDIN CAPITAL
KdT Ventures Fidelity pillar
Investors

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The Canada Pension Plan Investment Board led a \$175M Series B round in participation with Fidelity, Casdin Capital, KDT, Pillar, and Andreessen Horowitz to power Asimov's efforts to scale their tools and services business. As the vast complexity of various diseases states is unearthed, it is apparent that new tools to engineer medicines that overcome this complexity are desperately needed. Leaders in the biotech venture capital space have identified Asimov's platform technology as an effective creator of differentiated technologies that will enable next-gen therapeutic discovery. As an ever-increasing array of biological data are fed into A.I./ML platforms, computational approaches to bioengineering are becoming more effective. Asimov will leverage this progress in platform development and new funding to scale its efforts in creating new biologics, cell & gene therapies, and RNA tools, all areas of intense interest by global leaders in the biopharma industry. These complex therapeutic segments await breakthroughs in manufacturing processes, product consistency, and scalability to make widespread adoption and development times attainable for those who seek to commercialize transformational therapies. This funding syndicate is placing a 9-figure wager that the Asimov team's expertise will guide computer-aided design of biology to enable creation of new, impactful therapeutics. This and similar financings signal that synthetic biology is a burgeoning area for strategic transactions and will likely garner widespread interest in the coming months and years.

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Appletree Acquisition Solidifies TFS' Commitment To Capability & Geographic Expansion



APPLETREE CI GROUP

Target

Undisclosed

Deal Size



HealthScience

Clinical Research Excellence

Buyer



TFS HealthScience's acquisition of Appletree exemplifies its commitment to an aggressive growth strategy over the past 18 months. As service providers, CROs in particular, continue to acquire specialized targets to transform into comprehensive life sciences solutions, others must keep pace with the trend to stay competitive. Over the past year, TFS has launched multiple sites in new geographies, including its first in the United States, to expand its overall footprint. However, its acquisition of Appletree marks its first transaction since 2016, solidifying its commitment to growth. Not only will Appletree provide TFS with a presence in Switzerland as well as bolster its presence in other European countries, but it also offers leadership in ophthalmology trials, a high-growth, highly-regulated area. This will position TFS to become a leader in ophthalmic research in Europe, capitalizing on the >203% growth in ophthalmology funding.



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Disruptive Technology Attracts Investment Despite Market Uncertainties



\$40M
Deal Size



Miach Orthopaedics, a Massachusetts-based orthopedic company focused on developing bio-engineered surgical implants for connective tissue restoration, has recently secured \$40M in financing. The raise was funded using a combination of equity and debt, with \$30M in Series B equity and \$10M in venture debt. The funds will provide working capital used to expand and accelerate the U.S. commercialization of the company's flagship product, the Bridge-Enhanced ACL Restoration (BEAR®) Implant. The BEAR implant is a first of its kind technology used to repair ruptured ACLs in a minimally invasive procedure that enables the body to heal and maintain the patients original ACL. The implant acts as a bridge between the two ends of the torn ACL, avoiding the need for reconstructive surgery that replaces an ACL using a graft procedure. The BEAR implant was granted De Novo Approval from the FDA in late 2020 and has been used to treat more than 500 patients to date since the products commercial launch in the fall of 2021. "The Miach team has made significant progress in U.S. commercialization of the BEAR Implant over the last year and is well-poised for rapid growth in the ACL repair market," said Joyce Erony, managing partner, Amzak Health, and chair of Miach's board of directors.



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January 2023 | Transaction Lineup

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January 2023 Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
1/4/23	OriCiro	moderna	Pioneer in cell-free DNA synthesis & amplification technologies for gene/cell-based therapies & synthetic biology.	M&A	85	85	Biotech / Pharma
1/4/23	AVIDA Biomed	Agilent Technologies	Early-stage developer of high-performance target enrichment workflows for next-generation sequencing approaches in cancer studies.	M&A	Undisclosed	Undisclosed	Life Science Tools
1/4/23	GE HealthCare	-	Healthcare business of GE providing integrated Precision Care solutions for clinicians, therapies & patients.	IPO	Undisclosed	Undisclosed	MedTech
1/4/23	GANYMED ROBOTICS	CATHAY HEALTH Crédit Mutuel Innovation CAP HORNI BNP PARIBAS DEVELOPEMENT Kurma Partners bpi france	Developer of next-generation robotic assistance technology for orthopedic surgery.	Financing	38	N/A	MedTech
1/4/23	CAPSIDA BIO-THERAPEUTICS	Prevail THERAPEUTICS Lilly	Novel adeno-associated virus engineering platform for identifying & advancing clinically translatable capsids.	Partnership	685	55	Biotech / Pharma
1/4/23	Belharra THERAPEUTICS	Genentech <i>A Member of the Roche Group</i>	Platform to discover & develop small molecule medicines in multiple therapeutic areas (oncology, immuno-oncology, autoimmune, neurodegenerative).	Partnership	2,000	80	Biotech / Pharma

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools

Services

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1/5/23			Developer of synthetic biology platform to design & manufacture next-generation therapeutics.	Financing	175	N/A	Biotech / Pharma
1/5/23			Developer of big-data management solutions for bioimaging & high-content microscopy.	M&A	Undisclosed	Undisclosed	Life Science Tools
1/5/23	 <i>Repair. Regenerate. Restore.</i>		Developer of next-generation regenerative platform with novel collagen-based bio fabrication products for sports medicine.	M&A	275	155	MedTech
1/5/23			Health technology company developing AI solutions to assist electrophysiologists treat complex cardiac arrhythmias.	Financing	38	N/A	MedTech
1/5/23			Technology enabling protein activation in locally diseased tissue while remaining masked in systemic circulation.	Partnership	1,235	35	Biotech / Pharma
1/5/23		 <i>A Member of the Roche Group</i>	Differentiated platform used for the discovery of peptide therapies for treatment of diseases across multiple therapeutic areas.	Partnership	1,120	20	Biotech / Pharma

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1/9/23	CINCOR	AstraZeneca	Clinical-stage biopharma company bringing innovation to the treatment of cardio-renal diseases.	M&A	1,800	1,300	Biotech / Pharma
1/9/23	Albireo	IPSEN Innovation for patient care	Rare disease company focused on developing novel bile acid modulators to treat pediatric & adult liver diseases.	M&A	1,182	952	Biotech / Pharma
1/10/23	Hospital IQ	LeanTaaS	Provider of intelligent automation solutions for operational optimization in healthcare & improved patient access.	M&A	Undisclosed	Undisclosed	HealthTech
1/17/23	neovasc	SHOCKWAVE MEDICAL	Specialty medical device developer for cardiovascular applications, specifically refractory angina.	M&A	147	100	MedTech
1/18/23	PATHALYS PHARMA, INC.	CARLYLE OrbiMed ABINGWORTH Life Science Investing Davita Venture Group CATALYS PACIFIC	Late-stage clinical biopharma company developing multiple advanced therapeutics to address unmet needs of end-stage kidney disease.	Financing	150	N/A	Biotech / Pharma
1/19/23	SETPOINT MEDICAL	NORWEST OpSpin Viking M Citta Capital SYE NEA MIDAS CAPITAL ascendum SHANGHAI CAPITAL EUGLE CAPITAL CATALIO Boston Scientific	Clinical-stage healthcare company developing a novel platform for the treatment of chronic, inflammation-mediated autoimmune diseases.	Financing	80	N/A	Biotech / Pharma

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

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Life Science Tools

Services

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1/23/23	ACG+ APPLETREE CI GROUP	TFS HealthScience Clinical Research Excellence	Niche CRO & global regulatory affairs service provider specializing in ophthalmology & medical device investigations.	M&A	Undisclosed	Undisclosed	Services
1/25/23	Miach Orthopaedics	SECTORAL ASSET MANAGEMENT NFLPA DSM SmithNephew Amzak Health endeavour vision	Developer of bio-engineered surgical implants for connective tissue restoration focusing on treatment of ACL tears.	Financing	40	N/A	MedTech
1/25/23	ATOMIC AI	playground 8VC greylock AME CLOUD VENTURES	Biotech company leveraging AI & structural biology to unlock RNA drug discovery.	Financing	35	N/A	Biotech / Pharma
1/27/23	Paradigm	ARCH VENTURE PARTNERS F-PRIME GENERAL CATALYST MUBADALA MAGNETIC LU+	Developer of platform to streamline clinical trial processes for patients & connect biopharma trial sponsors & healthcare providers.	Financing	203	N/A	Biotech / Pharma
1/30/23	ARCELLX	GILEAD Kite	Late-stage product candidate for the treatment of patients with relapsed or refractory multiple myeloma.	Partnership	325	325	Biotech / Pharma
1/31/23	CHEMBIO DIAGNOSTICS, INC.	BIGSYNEX EASY DIAGNOSTICS FOR LIFE	Diagnostics company focused on developing point-of-care tests to detect & diagnose infectious diseases.	M&A	17	17	Diagnostics

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools

Services



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