



Outcome Capital Life Sciences Market Pulse

March 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...

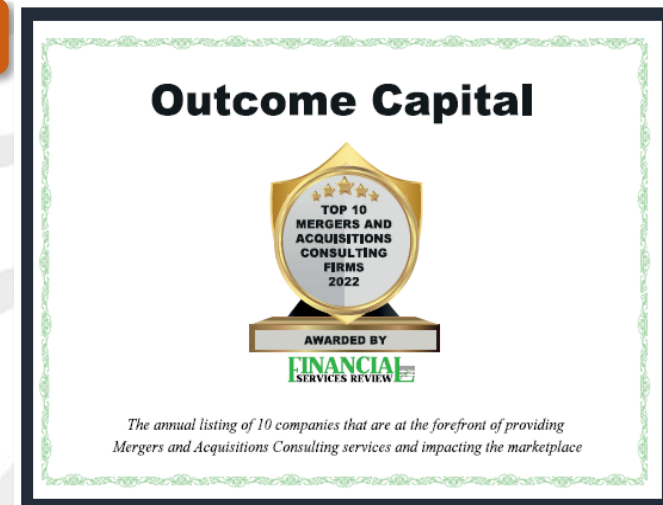
A highly-specialized life sciences and healthcare advisory & investment banking firm providing middle-market transactional expertise underpinned by a value-added, market-aligned approach to strategy execution. Our industry-dedicated specialists leverage significant operational, strategic & scientific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

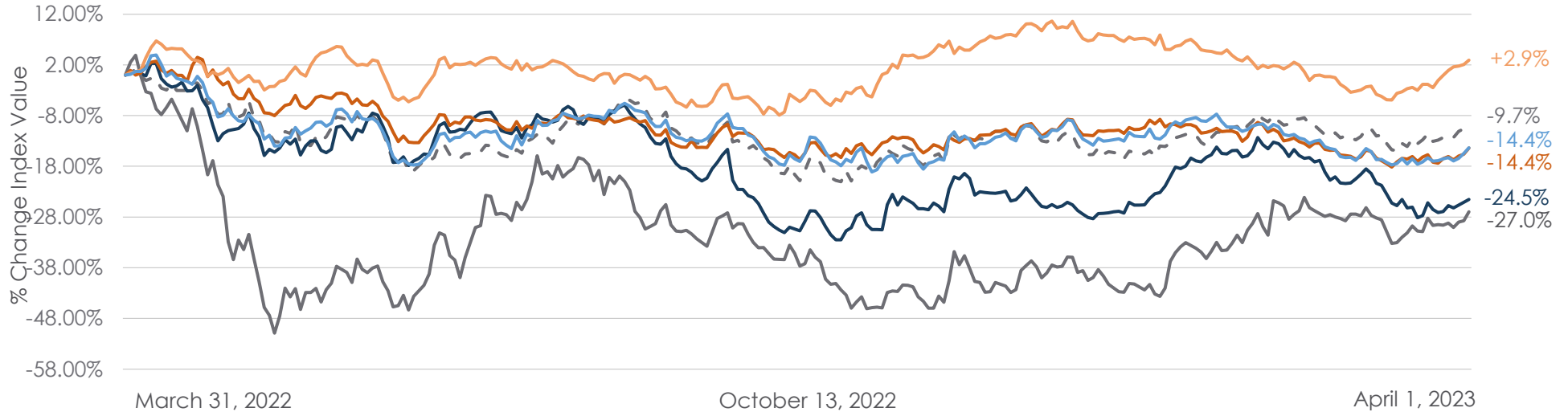


Outcome Index Tracker

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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

Sanofi Strengthens Diabetes Franchise Through Provention Bio Acquisition

proventionbio

Target

\$2.9B

Deal Size

sanofi

Buyer

“

Through Sanofi's acquisition of Provention Bio, the company has continued to reestablish their pipeline, this time with efforts in diabetes. Back in 2019, Sanofi strategically focused their drug development on high-growth segments, including immunology, thereby limiting diabetes R&D activities. After an attempt to strengthen its market-leading position in rare diseases via the proposed acquisition of Horizon Therapeutics, for which Sanofi was ultimately outbid by Amgen, the Provention deal presents Sanofi a de-risked growth opportunity with an approved diabetes immunotherapy. This acquisition builds on Sanofi's initial partnership with Provention and accelerates the Company's position in diabetes drug development. Furthermore, the acquisition comes at an essential time for Sanofi's diabetes business; recent downward pricing pressures on insulin resulted in the Company cutting the list price of its best seller, Lantus®, by 78% shortly after the Provention announcement.

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Pfizer Acquires Seagen To Build Next Generation Of Cancer Breakthroughs



Target

\$43B

Deal Size



Buyer



Pfizer, now flush with cash after making a record \$100.3B in revenue in 2022—fueled by sales of its COVID-19 products Comirnaty (vaccine) and Paxlovid (oral antiviral)—continues down its' bandwagon of M&A deals with the \$43B acquisition of Seagen, a global biotechnology company that discovers, develops and commercializes transformative cancer medicines. Pfizer has been very actively acquiring companies since 2021 with the acquisition of cancer specialists Arena Pharmaceutical for \$6.7B and Trillium Therapeutics for \$2.3B. In May of 2022, Pfizer did a \$11.6B buyout of migraine specialist Biohaven. Three months later, Pfizer paid \$5.4B for sickle cell specialist Global Blood Therapeutics, outbidding Johnson & Johnson. This union with Seagen is clearly driven by "the whole being greater than the sum of the parts." Combining the power of Seagen's antibody-drug conjugate (ADC) technology with the scale and strength of Pfizer's capabilities and expertise. This acquisition will enhance Pfizer's position in the Oncology space and contribute meaningfully to the achievement of Pfizer's near- and long-term financial goals. Today, Pfizer Oncology has an industry-leading portfolio of 24 approved innovative cancer medicines that generated \$12.1B in 2022 revenues, including the best-selling therapies for metastatic breast cancer and prostate cancer. Pfizer's in-line portfolio is focused on four broad, key areas: breast cancer, genitourinary cancer, hematology and precision medicine, complemented by an extensive pipeline of 33 programs in clinical development. The proposed combination with Seagen would double Pfizer's early-stage oncology clinical pipeline.



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Hangzhou Highlightll Pharma Exports Neuro Immunomodulator To Biohaven



Target

\$970M

Deal Size



Partner

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Biohaven, which became a subsidiary of Pfizer in 2022, has acquired global rights, excluding China, for the development of a dual inhibitor of TYK2 and JAK1 for the treatment of CNS disorders. Biohaven anticipates advancing the agent into a Phase 1 study this year. Immune modulation for CNS applications can be challenging and unpredictable (think Tysabri), so the \$1B biobuck potential of this transaction is structured to align downside risks with development and commercial milestone payments of up to \$950M, contingent upon success. Highlightll's upside interests are further aligned with \$10M upfront cash and \$10M of BHVN stock plus back-ended royalties. A JAK1-selective dual inhibitor that is orally available and penetrates the blood-brain barrier has many attractive attributes, so it's clear why Biohaven moved to lock up this asset with a deal at this early stage.

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VBC Enabling Wellvana Health \$84 Million Growth Round



\$84M
Deal Size



Wellvana Health, a digital health company founded in 2018 out of Martin Ventures that focuses on enabling independent primary care physicians, specialists, home-health agencies, skilled nursing facilities, and health systems with value-based care solutions, has raised \$84 million in a growth round led by private equity firm Heritage Group and Valtruis, a company of Welsh, Carson, Anderson & Stowe (WCAS). The latest round brings the company's total fundraising to approximately \$140 million, with prior rounds having supporting its growth from approximately 20,000 covered lives in June of 2020, to more than 100,000 Medicare and commercial lives, across multiple partnerships and 22 US states, at present. Wellvana also explored going public via SPAC in 2022, but later abandoned those plans. The firm claims that its VBC-centric business model is both "recession- and inflation-proof", as it focuses on the creation of regional "clinically-integrated networks" (CINs), and then helps independent physicians negotiate with payers to take on various levels of risk. A novel component of the Wellvana model is its underwriting program, which can assume downside risk for partner physicians, especially those in rural and underserved communities, and health systems that experience tight margins. The recent funds will be used for new product development, commercial growth and expansion, and for potential acquisitions.



Karl Hess

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Polyplus⁺
transfection[®]
THE DELIVERY EXPERTS

Target

\$2.6B

Deal Size

SARTORIUS

Buyer

“

As pharma continues to push cell & gene therapies into clinical trials, a complete bioprocessing solution will be needed to produce these medicines, at scale. Sartorius has agreed to the strategic acquisition of Polyplus. This acquisition provides Sartorius with industry-proven transfection reagents, along with plasmid design and desired plasmid manufacturing. Warburg Pincus, a recent investor in Polyplus, will capture a >4-fold gain on its 2020 investment, proving the bioprocessing segment is still very lucrative area as these therapies emerge from the laboratory and move to the clinic.

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Undisclosed

Deal Size



Life Science consulting M&A remains healthy, with niche, high-value firms continuing to be snapped up by larger strategic players seeking market share and franchise expansion. Herspiegel Consulting nabbed Sixsense Strategy Group (SSG) to build out Medical Strategy, KOL Engagement, and Medical Communications capabilities. Together, these services complement Herspiegel's commercial launch expertise in the healthcare and life sciences industries. Even against broader market tumult, middle market life sciences consulting M&A remains strong and active.



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Voyager Now Catches The Attention Of Novartis

voyager
THERAPEUTICS

Target

\$1.7B

Deal Size

 **NOVARTIS**

Partner

“

In the gene therapy industry, Novartis has maintained market leadership since their \$8.7B acquisition of AveXis in 2018. While the announcements have not always been met with positivity from the media - the company received backlash on the high price point of Zolgensma (>\$2M) - Novartis has continued to advance their gene therapy pipeline with multiple late-stage assets. The recent partnership with Voyager for their CNS targeting AAV marks their most recent activity in the space, coming on the heels of deals with Gyroscope Therapeutics and Precision BioSciences. As Novartis' gene therapy R&D efforts mainly revolve around AAV-based therapies, paying \$54M upfront is a smart bet for access to Voyager's novel capsid platform for the identified targets. Voyagers next-gen AAV platform can effectively and efficiently target the CNS while overcoming deleterious side effects. These barriers have been a major challenge for competitors who have opted for direct injection approaches (either cranial or optical), and with improved delivery, Novartis may be positioned to successfully address numerous debilitating CNS disorders. Novartis is not the first group to be interested in the potential of Voyager's technology; Voyager previously entered into agreements with Pfizer and AbbVie.

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Boehringer & Covant To Develop First-In-Class Inhibitors To Treat Cancer

COVANT

Target

\$481M

Deal Size



**Boehringer
Ingelheim**

Partner



Multi-national biopharmaceutical companies constantly seek to add novelty and innovation to their pipelines. As R&D timelines are lengthy and expensive, these firms frequently look to leverage discoveries of smaller, up-and-coming companies to bolster their pipelines. The never-ending pursuit of innovation goes hand in hand with focused risk mitigation efforts, which are frequently found in the form of structured partnership agreements. The type of deal executed by Boehringer Ingelheim (BI) & Covant Therapeutics exemplifies these efforts. BI will commit a relatively cash small upfront (\$8M, just 1.6% of total deal value) and significant institutional knowledge to support Covant during their ADAR inhibitor identification and development process. This gives Covant an immediate cash infusion to keep progressing their program & BI's non-cash support throughout the drug development process while maintaining significant upside potential in the form of regulatory, commercial, and sales milestones. These types of partnerships become increasingly important to pre-clinical & clinical-stage companies in turbulent markets as the cost of capital increases & institutional investors pull back on riskier early-stage biotech investments.



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Wellth Continues Care Management Platform Development To Drive Health Outcomes


Target

\$20M
Deal Size

    
Investors

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The chronic disease management segment emerges from the shift to value-based care across health systems. Both payers & providers have identified the lack of care plan compliance as a leading driver of preventable hospitalizations & procedures. Though many patients may keep pace with provider visits, up to 90% of health outcomes are related to the environment outside of the doctor's office– behavior, lifestyle, diet, exercise, etc. This translates into hundreds of billions of dollars in healthcare costs for the 60% of adults with chronic conditions. With that, we are seeing the growth of digital health platforms, such as Wellth, to increase care plan compliance, reduce overall healthcare costs & ultimately lead to better clinical outcomes for the patient. This past month, Wellth raised an oversubscribed \$20M Series B round to continue developing the behavioral science behind its app & expand its team. With adoption incentives for these types of technologies aligned across patients, health plans & providers, it is likely that digital care management platforms will continue to grow as the segment matures.

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Innovative Manufacturing Services Accelerate Speed To Market



zedaTM
Target

\$52M
Deal Size



Zeda, Inc., (Zeda) an advanced 3D manufacturing and nanotechnology services provider, recently closed on a Series B financing in early March for \$52M. Zeda utilizes a combination of unique expertise and leading technologies to optimize product design and increase speed to market for products across the medical, space, aerospace, defense, and energy industries. For example, within the medical industry Zeda manufactures cutting-edge medical devices and implants for the global orthopedic market. Proceeds from the round will be used to fund a new manufacturing facility in Ohio as well as expand facilities on a global scale to keep pace with demand for metal 3D printing services. The company is seeking to establish a footprint in the Asian market following government incentives for additive manufacturing recently announced from Singapore and other countries across the pacific region. The company is experiencing exponential growth driven through localization of supply chains and their ability to provide true end-to-end services that span from rapid prototyping to commercialization at scale.



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March 2023 | Transaction Lineup

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March 2023 Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
3/2/23			Novel inhibitor of angiotensin II type 2 receptor currently in development as non-opioid approach to treating neuropathic pain.	Partnership	630	40	Biotech / Pharma
3/7/23			Leading technology solutions company providing advanced 3D manufacturing & nanotech solutions for medical & other industries.	Financing	52	N/A	Services
3/7/23			Clinical-stage drug discovery company pioneering novel therapies for cancer treatment.	Financing	60	N/A	Biotech / Pharma
3/8/23			Novel AAV capsids generated from proprietary capsid discovery platform for potential use with 3 undisclosed CNS targets.	Partnership	1,653	54	Biotech / Pharma
3/9/23			Early-stage developer of electron capture dissociation technology to accelerate drug development.	M&A	Undisclosed	Undisclosed	Life Science Tools
3/9/23			Clinical-stage biotech company developing breakthrough precision medicines for ALS & other neurodegenerative diseases,	Financing	88	N/A	Biotech / Pharma

[Hyperlinked to Press Release](#)



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3/13/23	Seagen®	Pfizer	Biotech company developing transformative cancer medicines with pioneering ADC technology.	M&A	43,000	43,000	Biotech / Pharma
3/13/23	proventionbio <small>intercepting and preventing disease</small>	sanofi	Biopharma company focused on intercepting & preventing immune-mediated diseases.	M&A	2,900	2,900	Biotech / Pharma
3/13/23	sixsense strategy group	Herspiegel Consulting™	Boutique consultancy focused on insights, strategy & communications for the life sciences industry.	M&A	Undisclosed	Undisclosed	Services
3/16/23	ZUS	Maverick Ventures andressen. horowitz F-PRIME	Next-generation shared health data platform bringing distributed patient data directly to the point of care.	Financing	40	N/A	HealthTech
3/21/23	naytal	MAVEN	Digital health company providing on-demand access to women's & family health experts.	M&A	Undisclosed	Undisclosed	HealthTech
3/21/23	ARTERA	The Factory Johnson-Johnson INNOVATION Walden Catalyst breyercapital JDC KOT COATUE	Precision medicine developer of multimodal AI-based predictive & prognostic cancer tests.	Financing	90	N/A	Diagnostics

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3/22/23			Biotech company targeting transcription factors to discover precision medicines for cancer & other diseases.	Financing	123	N/A	Biotech / Pharma
3/22/23			Developer of intelligent software platform to help accelerate life sciences manufacturing.	Financing	65	N/A	Services
3/22/23			Oral, brain-penetrant, dual inhibitor of Tyrosine Kinase 2 & Janus Kinase 1 for treatment of brain disorders.	Partnership	970	20	Biotech / Pharma
3/23/23			Non-viral genetic medicine platform to develop nucleic acid therapeutics & accelerate non-viral genetic medicine pipelines.	Partnership	76	76	Biotech / Pharma
3/27/23			Biopharma company dedicated to accelerating development of innovative therapeutics.	Financing	155	N/A	Biotech / Pharma
3/27/23			Platform adopting high-touch value-based care model for high-performing partners to deliver enhanced care.	Financing	84	N/A	HealthTech

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools

Services

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Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
3/27/23	SUAZIO	NAMSA	EU-based strategic consultancy providing global market research services to medical device & IVD developers.	M&A	Undisclosed	Undisclosed	Services
3/28/23	COVANT	Boehringer Ingelheim	Development of novel small molecule immunotherapy targeting ADAR1 to transform the lives of cancer patients.	Partnership	481	10	Biotech / Pharma
3/28/23	Bicycle	NOVARTIS	Bicyclic peptide technology to develop radio-conjugates for several undisclosed oncology targets.	Partnership	1,750	50	Biotech / Pharma
3/30/23	EIP PHARMA	Diffusio ₂ n Pharmaceuticals Inc.	Biotech company developing bipolar synthetic carotenoid to improve outcomes by enhancing the body's ability to deliver oxygen.	M&A	22	22	Biotech / Pharma
3/30/23	wellth	SignalFire yabeo CO-VENTURE PARTNERSHIP FUND for New York City the social entrepreneurs' fund	Developer of app-based digital health programs using financial incentives & behavioral economics strategies to improve patient adherence.	Financing	20	N/A	HealthTech
3/31/23	Polyplus ⁺ transfection [®] THE DELIVERY EXPERTS	SARTORIUS	Developer of transfection as well as other DNA/RNA delivery reagents & plasmid DNA in high quality & GMP grade.	M&A	2,607	2,607	Life Science Tools

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools

Services



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PULSE



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