



# Outcome Capital Life Sciences Market Pulse

April 2023

Reach the Right Outcome



[www.outcomecapital.com](http://www.outcomecapital.com)



# OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

## Strategic Transactional Insights & Market Trends



### Outcome Capital At A Glance...

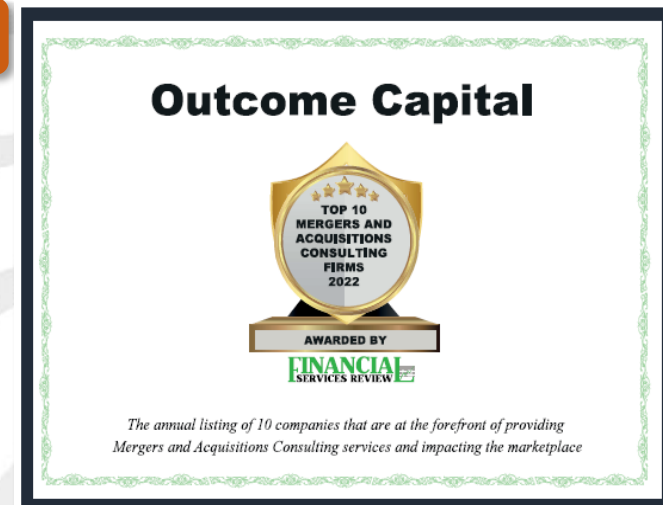
A highly-specialized life sciences and healthcare advisory & investment banking firm providing middle-market transactional expertise underpinned by a value-added, market-aligned approach to strategy execution. Our industry-dedicated specialists leverage significant operational, strategic & scientific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

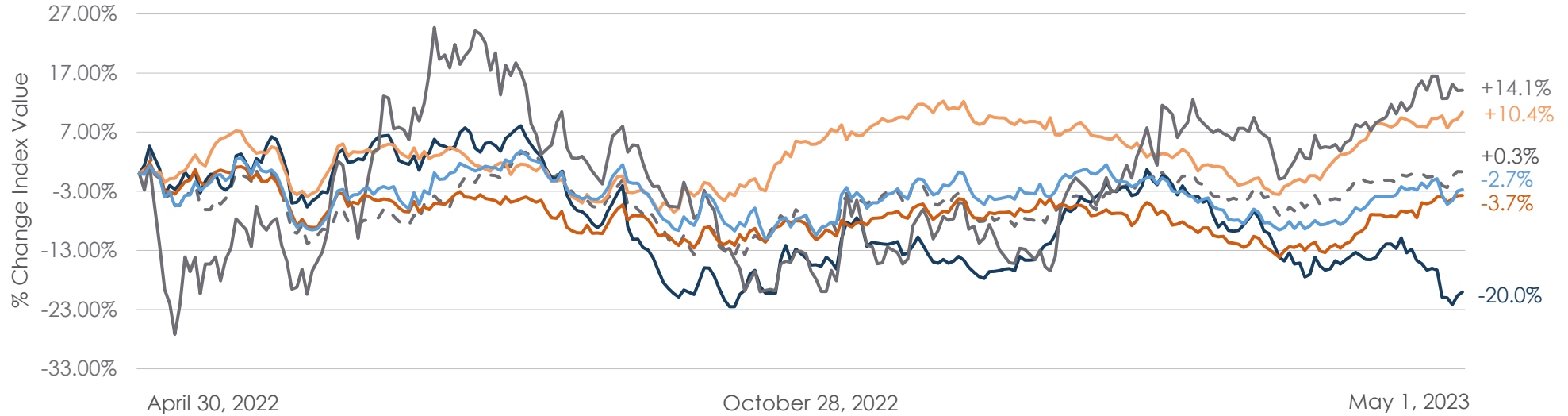


## Outcome Index Tracker

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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

## Novo Nordisk Solidifies Diabetes Treatment Position With Aspect Collaboration



\$2.6B  
Deal Size



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*Novo Nordisk has been actively seeking to maintain their leadership position in diabetes care, which originally stemmed from their broad insulin-based product portfolio. However, the company's R&D focus has more recently shifted to stem cell approaches which offer disease modifying potential, treating the underlying cause of disease. This pipeline refocus has recently become more central to the company's core strategy as Novo was one of the major biopharma companies to reduce the price of insulin. The most recent push in developing cell therapy approaches for diabetes and obesity came last month as Novo teamed up with Aspect Biosystems to develop up to four products. By leveraging Aspect's 3D bioprinting technology in conjunction with Novo Nordisk's expertise in stem cell therapy development, the collaboration will propel Novo with a highly differentiated offering in an area with significant competition from other large biopharma companies including Sanofi and Eli Lilly.*

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## Antibody-Based, Precision Radiopharmaceuticals Igniting Cancer Targets



\$142M  
Deal Size



Abdera Therapeutics completed a combined Series A/B financing (\$142M) with a compelling sum-of-the-parts investment proposition: a validated platform, an experienced chief executive and potential candidates aimed at fresh targets—making for a biotech company that investors couldn't pass up. Abdera is led by an exceptional team of scientists and company builders with demonstrated track records in drug development spanning oncology, radiopharmaceuticals and biologics. Abdera's Radio Optimized Vector Engineering (ROVER™) platform allows the company to design novel antibody-based radiopharmaceuticals with high affinity antigen binding domains to cancer targets and an engineered Fc domain that fine tunes the antibodies' PK to best suit the delivery of therapeutic isotopes. Abdera aims to optimize the therapeutic index of potent radioisotopes emitting alpha or beta particles to selectively destroy tumor cells while sparing healthy cells, providing patients with potentially transformative new cancer treatments. One of the major investment draws is that the platform and its early preclinical hype will have Big Pharma queuing up for partnering opportunities. Abdera's lead program targets delta-like ligand 3 (DLL3), a protein in the Notch pathway that is upregulated and specifically expressed in small cell lung cancer (SCLC) and other solid tumors, with very rare expression on nonmalignant cells. The company's DLL3 program is advancing through preclinical development, and Abdera expects to submit an investigational new drug (IND) application to the U.S. Food and Drug Administration (FDA) in 2024. In addition, Abdera is advancing a robust pipeline for other undisclosed cancer targets.



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## Pipeline Therapeutics Partners Its Oral Multiple Sclerosis Drug With Janssen



\$1.1B  
Deal Size



“

*Pipeline (private) is granting Janssen a worldwide license to its lead asset (PIPE-307) in all indications. The partnership brings together Pipeline's scientific expertise in neuroregeneration with Janssen's development experience in nervous system disorders. Pipeline will receive \$50M upfront from Janssen and separately up to \$25M as an equity investment from JJDC and up to \$25M in equity investments from Pipeline's existing investors. The deal includes \$1 billion of biobucks as success-based payments for clinical, regulatory and commercial milestones, as well as tiered double-digit royalty payments. This is an early-stage neuro deal as Pipeline has thus far only completed Phase 1 trials in healthy participants. The validating partnership provides a direct cash infusion and has created the opportunity to attract follow-on investment from non-strategic investors.*

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## Precision Mental Healthcare Co Raises \$71 Million At Unicorn-y \$2.5B Valuation

 **spring health**

Target

**\$71M**

Deal Size

Undisclosed  
Investors

Investors

“

New York-based digital behavioral health benefits and “precision mental healthcare” company Spring Health recently announced a growth round of \$71 million, bringing their total funding to more than \$370 million, at a valuation of \$2.5 billion. The company, founded in 2016, began with a \$2 million seed round in 2017, and has since focused on publishing its ROI-proving results in peer-reviewed journals, attracting large employers such as Microsoft, PepsiCo, General Mills, Bain, The Hershey Company, JB Hunt and more than 100 others, and by utilizing its machine learning algorithms to shortcut “the most expensive problem in the mental health space”, i.e., the trial and error process of matching someone to the best therapist and treatment plan. From September 2021’s \$190 million Series C to the most recent round, Spring Health claims to have grown its user community from more than 2 million to more than 5 million, and to have doubled its employee headcount during 2022. The company states that it serves as the “single front door” for employees and their families, providing care from digital exercises, EAP services, coaching, therapy or medication.

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## Geographic Acquisitions Are Key To Market Expansion Strategy



\$209

Million

\$198

Million



SONIC  
HEALTHCARE

Targets

Deal Size

Buyer



*Sonic Healthcare, the largest medical laboratory provider in Europe, continues its business strategy of growth through acquisition. Sonic added both Medical Laboratories of Dusseldorf and Diagnosticum Laboratory Group. These 2 accretive transactions highlight a geographical strategy to capture more of the German laboratory testing market. Diagnosticum Laboratory acquisition brings laboratories across the southeastern part of Germany, and provides specialty genetic testing capabilities, while adding ~\$71M revenue to Sonic. While also acquiring the Medical Laboratories of Dusseldorf, adds additional capabilities in the northwestern portion of Germany and will bring in an additional \$33M in revenue this year. These 2 bolt-on transactions bolster Sonic's expansion plans for Germany and will drive their continued growth.*



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## Tuck-In Acquisitions Continue In Orthopedics Space



Target

Undisclosed

Deal Size



Buyer



*Proving, yet again, that the orthopedics space is always on the hunt for new, best-in-class portfolios, Enovis made the move to acquire the Novastep franchise from Amplitude Surgical (PARIS: AMPLI). This expansive portfolio of minimally invasive foot and ankle solutions was on track to hit \$20M in revenues and provides Enovis with a complementary OUS sales channel. This highly strategic transaction provides an expanded sales channel ripe for cross-selling, and complementary product portfolios expanding the long-term user-base for Enovis.*



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## \$270M Series A Financing For Next-Gen RNA Platform



Target

\$270M

Deal Size



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Given broader market sentiment and dynamics, Q1/23 saw a pull-back in biotech investments as compared to 2020 – 2022. However, despite the reduced investment activity during this period, multiple new funds have been raised and dry powder remains plentiful; in turn, providing an overall positive outlook for private companies in the sector. Orbital Therapeutics recently capitalized on this opportunity and raised \$270M from a syndicate of leading investors to push their programmable RNA platform forward. After the recent success of mRNA-focused companies, investors have been seeking to identify the next-generation of RNA medicine. Arch Ventures launched Orbital Therapeutics and identified a team with the requisite experience to develop a game-changing technology. Orbital's programmable RNA platform integrates delivery technology, data science and automation to develop transformative products; we look forward to monitoring Orbital's progress.

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## Takeda Taps Innate's ADC Platform for Novel Therapeutics In Celiac Disease



innate pharma  
Target

\$415M

Deal Size



Partner



Takeda continues the industry-wide spending spree on Antibody Drug Conjugate therapies with their exclusive license agreement with Innate Pharma. There has been a flurry of transactional activity centered around this therapeutic modality, typically for oncology indications. This time we see a departure from cancer as Takeda & Innate Pharma seek to aim their ADCs toward novel targets to treat Celiac Disease. A move signaling an attempt at diversification in Takeda's oncology-heavy pipeline. Both the assets and deal structure demonstrate the risk mitigation strategies we frequently see in today's market. Innate Pharma's antibody platform allows Takeda to generate multiple shots on goal to develop FDA-approved therapies. While the deal structure commits Takeda to a minimal guaranteed upfront payment (\$5M, just 1% of total deal value) with larger payouts due only if the drug achieves clinical, regulatory, and sales milestones. These "biobucks"-type deals may seem one sided, however Innate Pharma gains expertise from a global leader while also shifting product development costs to Takeda and retains upside value should the therapies succeed. While preferred deal structures among management of start-up biotech companies are heavily cash-loaded upfront, we expect to continue to see deals laden with risk mitigation strategies for the acquirer with early-stage assets as clinical data remains king.



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## Surgical Robotics Continues To Emerge As High-Value Segment



Distalmotion

Target

\$150M

Deal Size

REVIVAL  
HEALTHCARE CAPITAL

Investors



As many segments within MedTech are saturated with commoditized devices, innovators are turning to enabling technologies as a source of untapped value. High-volume procedure areas (i.e., general surgery, gynecology, urology, etc.) are typically viewed as “managed” due to minimally invasive approaches and little need for new devices such as implants. Because of this, there has been little innovation in the devices themselves across these segments. However, with the increased adoption of AI and robotics, enabling technologies are now high-value assets across the MedTech sector, providing an opportunity for downstream growth in the space. Distalmotion's \$150M financing exemplifies the value assigned to these emerging surgical technologies. Using the proceeds from this round, Distalmotion plans to expand commercialization across Europe as well as apply for FDA approval to enter the U.S. surgical market. Distalmotion's Dexter platform integrates surgical robotics into existing workflows with the flexibility to adapt to individual surgeon practices, priming the technology for widescale adoption. Furthermore, having existing commercial traction and potential entry into the U.S. market positions the Dexter platform as a high-value MedTech asset.



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## Saluda Medical Secures Financing For Disruptive Neural Sensing Technologies



Target

\$150M

Deal Size

WELLINGTON  
MANAGEMENT®



Redmile Group



Investors



With the latest Series E capital raise of \$150M, Saluda Medical's reimagined approach to neurostimulation will continue to address key limitations within neurological disorder pain management, a segment congested with suboptimal opioid and spinal cord stimulation (SCS) solutions. Saluda's proprietary Evoke@SmartSCS™ technology directly measures the spinal cord's physiologic response to stimulation using Evoked Compound Action Potentials (ECAPs). Harnessing unique neural signatures, the Evoke@SmartSCS™ system automatically adjusts stimulation to maintain precise, and consistent, neural activation creating a novel approach to holistic patient management. The equity financing round was led by Wellington Management with strong support from TPG – both new investors. Wellington Management and TPG's involvement reinforces keen interest within emerging tech as both combined have invested nearly \$1B since the beginning of 2023 into health- and medtech opportunities. This Series E financing proceeds are expected to fuel the commercial release of the Evoke@SmartSCS™ System. It will be exciting to watch, over the next handful of months, how Saluda will continue to transform patients' lives with disruptive neuromodulation solutions.



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## Disruptive Minimally Invasive Treatment Poised For Strong Market Adoption

**relievant**  
Target

**\$50M**  
Deal Size

     
    
Investors

“

Relievant Medsystems has successfully raised \$50M in an over subscribed financing round to accelerate adoption and commercial traction of the company's novel Intracept Procedure. Relievant has developed the only FDA-cleared treatment for vertebrogenic chronic lower back pain, using targeted radiofrequency to prevent nerve pain transmission from the basivertebral nerve to the brain. The minimally invasive same day procedure is set to displace current treatment options consisting namely of pain killers, physical therapy, and invasive surgical procedures. The technology has been validated through clinical studies, which have proven durable relief of pain and improvement of function through 5 years for patients suffering from chronic vertebrogenic lower back pain. Relievant hopes to provide relief for millions of patients across the US as a long-term alternative solution to current treatment options.

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April 2023 | Transaction Lineup

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## April 2023 Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
<a href="#">4/3/23</a>	diagnosticum Labormedizin • Mikrobiologie Pathologie • Humangenetik	SONIC HEALTHCARE	Large-scale clinical & anatomical pathology laboratory groups operating in southeast Germany.	M&A	209	209	Services
<a href="#">4/3/23</a>	novastep® Your foot & ankle company	enovis™	Developer of clinically proven foot & ankle solutions including CE-marked forefoot/midfoot implants & strong OUS channel.	M&A	Undisclosed	Undisclosed	MedTech
<a href="#">4/3/23</a>	DualyBio 映恩生物	BIONTECH	Two antibody drug conjugate therapeutics to treat patients with cancer & autoimmune diseases.	Partnership	1,670	170	Biotech / Pharma
<a href="#">4/3/23</a>	innate pharma	Takeda	Antibody drug conjugates using a panel of selected Innate antibodies against an undisclosed target with primary focus in Celiac disease.	Partnership	415	5	Biotech / Pharma
<a href="#">4/4/23</a>	ALLOTROPEMEDICAL	NTI Northgate Technologies, Inc.	Developer of intuitive handheld device to assist general & OBGYN surgeons to quickly identify ureters in laparoscopic surgical procedures.	M&A	Undisclosed	Undisclosed	MedTech
<a href="#">4/5/23</a>	biotheryx	Incyte	Molecular glue degraders for development of treatments for multiple historically undruggable oncology targets.	Partnership	360	13	Biotech / Pharma

[Hyperlinked  
to Press  
Release](#)

MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools

Services

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<a href="#">4/10/23</a>	Crystal Run Healthcare	Optum	Multispecialty physician group with >400 providers across >30 locations using a value-based care approach.	M&A	Undisclosed	Undisclosed	Services	
<a href="#">4/12/23</a>	Aspect biosystems	novo nordisk	Bioprinted tissue therapeutics designed to replace, repair or supplement biological functions to deliver a new class of disease-modifying treatments.	Partnership	2,600	75	Biotech / Pharma	
<a href="#">4/13/23</a>	saluda MEDICAL	WELLINGTON MANAGEMENT® Fidelity Redmile Group	TPG ACTION POTENTIAL VENTURE CAPITAL	Developer of neural sensing technologies designed to revolutionize neuromodulation with advanced closed-loop systems.	Financing	150	N/A	MedTech
<a href="#">4/14/23</a>	spring health	Undisclosed Investors	Employer- & payer-focused mental health provider matching employees to the most effective, personalized care option.	Financing	71	N/A	HealthTech	
<a href="#">4/17/23</a>	PIPELINE	janssen	Oral, highly selective antagonist of the muscarinic M1 receptor used as investigational compound to treat nervous system disorders.	Partnership	1,100	50	Biotech / Pharma	
<a href="#">4/18/23</a>	Bellus HEALTH	GSK	Late-stage biopharma company developing treatments for refractory chronic cough.	M&A	1,971	1,971	Biotech / Pharma	

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Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
<a href="#">4/19/23</a>	Distalmotion	REVIVAL HEALTHCARE CAPITAL	Robotics platform for use across complex, high-volume procedures in general surgery, gynecology & urology.	Financing	150	N/A	MedTech
<a href="#">4/19/23</a>	relieवंt	NEA LIGHTSTONE VENTURES, Canaan, endeavour vision, VENSANA CAPITAL, MORGENTHALER	Commercial-stage medical device developer of a novel, clinically-proven treatment for patients with vertebrogenic pain.	Financing	50	N/A	MedTech
<a href="#">4/20/23</a>	Abdera Therapeutics	VERSANT, venBio, NORTHVIEW LIFE SCIENCES, Viking, QIMING investments, AMPLITUDE	Biopharma company leveraging antibody engineering platform to develop tunable, precision radiopharmaceuticals for cancer.	Financing	142	N/A	Biotech / Pharma
<a href="#">4/20/23</a>	OneOncology	TPG, AmersourceBergen	Oncology practice network using a partnership model to provide access to the latest clinical pathways for personalized care.	M&A	2,100	2,100	Services
<a href="#">4/20/23</a>	TUBULIS	Bristol Myers Squibb	Proprietary P5 conjugation platform for developing a select number of highly differentiated antibody drug conjugates to treat solid tumors.	Partnership	1,023	23	Biotech / Pharma
<a href="#">4/26/23</a>	ORBITAL THERAPEUTICS	ARCH, MGORE UNIVERSITY, INVUS, CASDIN, Redmile Group, iglobe partners, alob Bio+Health, HERITAGE MEDICAL SYSTEMS, Newpath, AGENT CAPITAL, ALEXANDRIA Venture Investments	Developer of first-in-kind platform for RNA-based medicines focused on vaccines, immunomodulation & protein replacement.	Financing	270	N/A	Biotech / Pharma

[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
<a href="#">4/26/23</a>	MEDIZINISCHE LABORATORIEN DUISSELDORF		Leading clinical laboratory operating a highly-efficient hub-&-spoke infrastructure around the Duesseldorf metro region.	M&A	198	198	Services
<a href="#">4/27/23</a>		 Co-led by <b>OmniMed Capital</b> with Participation from <b>Daleshaw Limited</b>	Developer of rapid phenotypic testing platform to deliver clinically actionable results.	Financing	29	N/A	Diagnostics
<a href="#">4/27/23</a>			Early-stage oncology company focusing on minimal residual disease testing for accurate detection of recurring cancer.	M&A	450	300	Diagnostics
<a href="#">4/27/23</a>		  	Biopharma developer of novel, topical therapeutics for treating pre-cancerous lesions caused by HPV.	Financing	53	N/A	Biotech / Pharma
<a href="#">4/27/23</a>		 	Developer of ultrasensitive cancer detection tests leveraging patented PhasED-Seq technology.	Financing	59	N/A	Diagnostics
<a href="#">4/30/23</a>			Biopharma developer of novel treatments for retinal diseases with significant unmet medical needs.	M&A	5,900	5,900	Biotech / Pharma

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools

Services



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CAPITAL

PULSE



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