



Outcome Capital Life Sciences Market Pulse

January 2024

Reach the Right Outcome



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OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

Market Trends & Strategic Transactional Insights



Outcome Capital At A Glance...

A highly-specialized life sciences & 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



PROUDLY FEATURES

OUTCOME CAPITAL

IN ISSUE OF

TOP*****
LIFE SCIENCES ADVISORY
& INVESTMENT BANKING
Firm - 2024

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



OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE



Outcome Capital Index Tracker (LTM)



Outcome Capital MedTech Index

Outcome Capital Biotech/Pharma Index

Outcome Capital HealthTech Index

Outcome Capital Diagnostics Index

Outcome Capital Services Index















January 2024 | Transaction Lineup

OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE



January 2024 Transaction Lineup

Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
1/2/2024	 voyager therapeutics	 NOVARTIS	Biotech company leveraging gene therapy to target neurological diseases, including ALS and Alzheimer's	Partnership	\$1,300	\$100	Biotech/ Pharma
1/3/2024	 BridGene Biosciences	 Galapagos	Developing chemoproteomics technology to discover novel small molecule drug candidates	Partnership	\$727	\$27	Biotech/ Pharma
1/3/2024	 remix therapeutics	 Roche	Clinical-stage biotechnology company developing small molecule therapies to modulate RNA processing	Partnership	\$1,042	\$30	Biotech/ Pharma
1/4/2024	 LG Chem	 Rhythm PHARMACEUTICALS	Commercial-stage biopharma company focused on rare neuroendocrine diseases	Partnership	\$305	\$60	Biotech/ Pharma
1/4/2024	 LEM surgical	Undisclosed	Innovative surgical robotics company focused on developing advanced capabilities for spine surgery	Financing	\$26	N/A	MedTech
1/6/2024	 JIXING	 BAYER  rtw	Focused on bringing innovative medicines to address serious & life-threatening diseases	Financing	\$162	N/A	Biotech/ Pharma

[Hyperlinked
to Press
Release](#)



MedTech



Biotech/Pharma



HealthTech



Diagnostics



Life Science Tools















Services

OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

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Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
1/8/2024	 C2i Genomics	 veracyte.	Developer of a minimal residual disease test for advancing bladder cancer diagnostics	M&A	\$95	\$70	Diagnostics
1/8/2024	 Axonics	 Boston Scientific	Focused on development & commercialization of devices to treat urinary & bowel dysfunction	M&A	\$3,675	\$3,675	MedTech
1/8/2024	 AIOLOS BIO	 GSK	Clinical-stage biopharma company focused on addressing unmet needs of respiratory & inflammatory conditions	M&A	\$1,400	\$1,000	Biotech/ Pharma
1/8/2024	 AMBRX	 Johnson & Johnson	Advancing next generation of antibody drug conjugates to transform treatment of cancer	M&A	\$2,000	\$2,000	Biotech/ Pharma
1/8/2024	 HARPOON Therapeutics	 MERCK	Immunotherapy company developing a novel class of T cell engagers to target cancer cells	M&A	\$680	\$680	Biotech/ Pharma
1/8/2024	 mim SOFTWARE	 GE HealthCare	Provides AI-enabled image analysis and workflow tools for cancer & cardiology diagnostics	M&A	Undisclosed	Undisclosed	Diagnostics

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MedTech



Biotech/Pharma



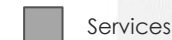
HealthTech



Diagnostics



Life Science Tools



Services

OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

January 2024 Transaction Lineup



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1/10/2024	innersight	STORZ KARL STORZ – ENDOSKOPE	Developer of Innersight3D, a software-only product allowing surgeons to create patient-specific 3D models from CT or MRI scan	M&A	Undisclosed	Undisclosed	MedTech
1/10/2024	pulse TECHNOLOGIES	Integer®	Engineering & contract manufacturing company for cardiology & neuromodulation devices	M&A	\$140	Undisclosed	Services
1/11/2024	WuXi Biologics Global Solution Provider	BIONTECH	Proprietary platforms for engineering, characterization & optimization of antibody & biologic therapeutics	Partnership	\$20	\$20	Biotech/ Pharma
1/17/2024	Ratio THERAPEUTICS	Bristol Myers Squibb PAG CTL Schusterman <i>Duquesne Family Office</i>	Developing next-generation precision radiopharmaceuticals for solid tumor cancer treatment	Financing	\$50	N/A	Biotech/ Pharma
1/18/2024	Calypso biotech	NOVARTIS	Immunotherapy biotech company focused on the research & development of novel biologics	M&A	\$425	\$250	Biotech/ Pharma
1/22/2024	INVITAE Certain Reproductive Health Assets	natera™	Leading medical genetics company that helps guide important health decisions to improve patient care	M&A	\$53	\$10	Diagnostics

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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
1/23/2024	INHIBRX	<small>A subsidiary of</small> sanofi	Focused on developing novel biologic therapeutics for oncology & rare disease	M&A	\$2,200	\$1,700	Biotech/ Pharma
1/23/2024	GENEDIT <small>GENE THERAPY DELIVERED</small>	Genentech	Leveraging a proprietary platform for tissue-selective delivery for genetic medicine development	Partnership	\$644	\$15	Biotech/ Pharma
1/24/2024	COUR	LUMIRA <small>BYD</small> ALPHA WAVE <small>Roche</small> CHIMERA <small>TIDFund</small>	Biotechnology company focused on advancing medication for autoimmune diseases	Financing	\$105	N/A	Biotech/ Pharma
1/25/2024	SYNNOVATION <small>THERAPEUTICS</small>	礼来 亚洲基金 <small>Lilly Asia Ventures</small> nextech <small>SIRONA</small>	Developing small molecule therapies with robust pharmacology against precision oncologic targets	Financing	\$102	N/A	Biotech/ Pharma
1/31/2024	Specialty Networks	CardinalHealth	Technology-enabled multi-specialty group purchasing & practice enhancement organization	M&A	\$1,200	\$1,200	HealthTech
1/31/2024	cigna <small>Medicare Advantage, Medicare Supplemental Benefits, Medicare Part D & CareAllies Business</small>	HCSC <small>Health Care Service Corporation</small>	Global health company focused on improving health & vitality of individuals	M&A	\$3,700	Undisclosed	HealthTech

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MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools

Services



Highlighted Transactions

Sanofi Acquires Best-In-Class Asset From Inhibrx To Further Rare Disease Franchise

INHIBRX

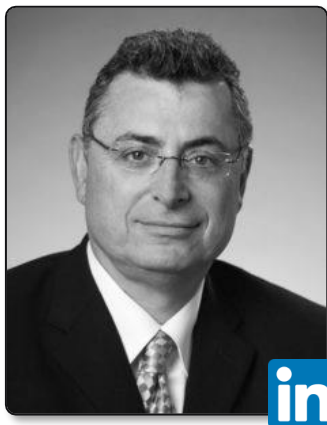
Target

\$2.2B

Deal Size



Aventis
A Subsidiary of **sanofi**
Buyer



Oded Ben-Joseph, PhD, MBA

Managing Partner
Outcome Capital, LLC
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With continued commitment to rare disease and overlap with their immune-mediated respiratory franchise, Sanofi announced the acquisition Inhibrx. Focused on the development of a broad pipeline of novel biologic therapeutic candidates, INBRX-101, currently enrolling Phase 2, is a potential best-in-class asset for the treatment of Alpha-1 antitrypsin deficiency (A1AT). A1AT functions as an inhibitor of neutrophil elastase, a neutral serine protease that controls lung elastolytic activity, which stimulates mucus secretion and IL-8 release from epithelial cells that perpetuate the inflammatory state. With A1AT deficiency, neutrophil elastase can disrupt elastin and components of the alveolar wall of the lung that may lead to emphysema, and hypersecretion of mucus that can develop into chronic bronchitis. In this rather creative transaction, Inhibrx shareholders will receive \$30.0 per share in cash and a contingent value right, conditioned upon the achievement of a regulatory milestone, of \$5.0. Also, a newly created public company will retain Inhibrx's non-INBRX-101 assets ("New Inhibrx"). Inhibrx's shareholders will receive 0.25 shares of New Inhibrx per Inhibrx share. New Inhibrx will be capitalized with \$200 million of cash at distribution and Sanofi will retain an 8% equity stake in New Inhibrx. The combination of a clear strategic fit, unmet need and differentiated clinical data hold significant promise for Sanofi.

”

Boston-Based Radiopharmaceutical Company Secures Additional Funding



\$50M

Deal Size

 Bristol Myers Squibb  Schusterman

Duquesne Family Office

 CTL  CENTER FOR
TECHNOLOGY
LICENSING
CORNELL UNIVERSITY

 PAG

Investors



Ellen Baron, PhD

Managing Director
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“

Ratio Therapeutics Inc. is a Boston-based pharmaceutical company with the mission to accelerate the development of next-generation precision radiopharmaceuticals for solid tumors and transform oncology treatment paradigms. Founded by John Babich, Ph.D., and Jack Hoppin, Ph.D., two pioneers in radiopharmaceuticals, the company currently employs a growing team of radiopharmaceuticals discovery and development experts with backgrounds in the life science industry. Ratio's proprietary R&D platforms, Trillium™ and Macropa™, enable the imaging, discovery, and advancement of novel radiopharmaceuticals. Built to be the radiopharmaceuticals discovery and development partner of choice, Ratio currently collaborates with Bayer, Lantheus and Merck. The new \$50M Series B financing, brings the total raised to date to over \$90 million. The latest round had continued participation from Series A leads Schusterman and Duquesne and welcomed among others PagsGroup, Bristol Myers Squibb and the Center for Technology Licensing at Cornell University. This funding advances Ratio's technology platforms and will help launch clinical trials for their FAP-targeted radiotherapeutic which aims to treat a broad array of solid-tumor cancers. They have filed two INDs and completed enrollment in both radiation dosimetry studies in support of two of their corporate partnerships. The company plans to move its first therapeutic candidate into clinical trials by the end of this year.

”

Rhythm Strategically Broadens Pipeline Through Partnership With LG Chem



Target

\$305M

Deal Size



Partner



Paul Mieyal, PhD, CFA
Managing Director
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“

Under Rhythm Pharma's license of LG's oral MC4R agonist LB54640, Rhythm will assume sponsorship of two Phase 2 studies evaluating weight loss efficacy, safety, tolerability and pharmacokinetics. Rhythm will pay LG \$40 million in cash and \$20 million in Rhythm equity upfront and an additional \$40 million in cash 18 months after closing. Rhythm will also pay LG up to \$205 million upon achieving certain regulatory and sales milestones, as well as royalties. For Rhythm, the license strategically broadens its pipeline while efficiently leveraging existing expertise and commercial operations within the same development and sales channel of rare genetic diseases of obesity. For LG, the transaction provides current and future monetization of an asset while derisking further development. As a mid-tier public company, this transaction moves the needle for Rhythm more than it would for a mega pharma company – this provides added confidence that LG's global partner is not only a good strategic fit but is also motivated to prioritize development of the asset.

”

Cigna Sells Its Medicare Business To HCSC For \$3.7 Billion



Medicare Advantage, Medicare Supplemental
Benefits, Medicare Part D & CareAllies Business

Target

\$3.7B

Deal Size

HCSC

Health Care Service Corporation

Buyer



Karl Hess, MBA
Managing Director
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“

The Cigna Group and Health Care Service Corporation (HCSC, the BCBS licensee for Illinois, Montana, New Mexico, Oklahoma and Texas) have reached a definitive agreement to transfer Cigna's MA, Medicare Supplemental Benefits, Medicare Part D and Care Allies businesses to HCSC, effectively quadrupling HCSC's number of Medicare beneficiaries from 200,000 to 800,000, starting in 2025. The deal also includes a four-year contract for Cigna's Express Scripts to provide its services to HCSC, as well as potentially other Evernorth (Cigna's care delivery and service entity) services as well. Despite the sale, Cigna stated that it is still excited about the MA market, but perhaps largely because of Evernorth's services business. Some experts have also speculated that the move would help to clear the decks with regard to a required regulatory approval of a potential acquisition of or merger with Humana, which Cigna was courting last fall. That deal reportedly fell apart because the two entities couldn't agree on price, but Humana's stock price has lost almost 30 percent of its value since that timeframe, so a potential deal could be in play again.

”

Veracyte Acquires C2i Genomics To Advance Bladder Cancer Diagnostics



C2i Genomics

Target

\$95M

Deal Size



veracyte®

Buyer



Craig Steger

Director

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“

We continue to see the impact of AI and Machine Learning on all aspects of life sciences. Veracyte has recently acquired C2i Genomics for \$70 million in Veracyte stock, with the possibility of up to another \$25 million in cash and stock if certain milestones are achieved. C2i's AI-powered whole genome test detects minimal residual disease (MRD) by comparing tumor and patient genetic profiles post-treatment. This additional testing capability will extend Veracyte's offering from disease prediction, prognosis, and diagnosis to now include patient monitoring post-treatment. The transaction will initially focus on muscle-invasive bladder cancer, an area of strength for both companies, with an identified reimbursement pathway.

”

2024 MedTech M&A Kicks Off With Boston Scientific & Axonics Deal



Axonics

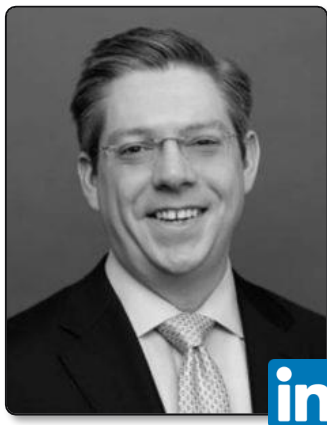
Target

\$3.7B

Deal Size

Boston
Scientific

Buyer



Thomas Busby, MBA

Director

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“

Amid a rash of biotech M&A announced throughout the JP Morgan Healthcare Conference, Boston Scientific made headlines in the MedTech space with their first sacral neuromodulation acquisition, Axonics. Boston's play dramatically expands their urology franchise, providing both innovative technology and a proven sales force. This transformative transaction will change the competitive landscape within the urology space, and those strategics seeking to maintain market share will likely also look for tuck-in acquisitions to maintain competitive edge.

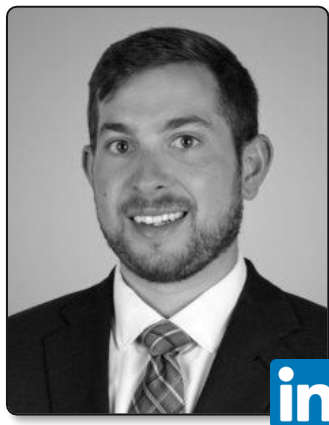
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Novartis Continues Active Deal Making Across Core Therapeutic Areas


Target

\$425M
Deal Size


Buyer



Nick Frame, PhD
Senior Vice President
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“

Following an action packed year-end 2023 for biotech deal making, January's J.P. Morgan Healthcare Conference was once again the stage for numerous notable deal announcements by leading strategics. Among the deals announced was Novartis' acquisition of Calypso Biotech for an upfront payment of \$250 million and aggregate milestone payments that bring the total potential deal value to \$425 million. Since the spin out from EMD Serono in 2013, Calypso has focused on developing cytokine-targeting antibodies to treat a variety of autoimmune diseases. The company's lead program targeting IL-15 has dosed initial patients in an ongoing Phase 1a/b in healthy volunteers with Celiac Disease or Eosinophilic Esophagitis. This acquisition comes after an active 2023 marked by 17 deals and solidifies Novartis inorganic strategy to strengthen their portfolio across key therapeutic areas, including immunology.

”

Galapagos & BridGene Biosciences Ink New Partnership For Novel Small Molecules



Target

\$727M

Deal Size

Galápagos

Partner



Michael Casasanta, PhD

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“

Galapagos is continuing its search for novel assets following a string of tough clinical outcomes in its immunology pipeline. The innovative biotech has an approved JAK1 preferential inhibitor, Filgotinib, to treat rheumatoid arthritis and ulcerative colitis. However, the company has failed to extend the applicable indication list for its drug and has not had definitive outcomes in the past with its foray into SIK inhibitor-based treatments. The company has a strong balance sheet, reporting >€3.8B in cash and is aiming to use it to reposition its pipeline. Galapagos has recently added CAR-T therapies for both oncology and immunology to its pipeline, and with the partnership with BridGene Biosciences, it is hoping to add more novel small molecules to its immunology arsenal. BridGene is to receive \$27M in upfront cash to leverage its IMTAC platform exploiting data from covalent/proteomic chemistry and mass spectrometry to identify novel drug candidates for 'undruggable' targets. Galapagos joins Takeda who also signed a deal with BridGene looking to exploit the IMTAC platform in Q1 2021. With its partnership with BridGene, Galapagos is looking to de-risk its clinical pipeline to add both novel small molecules and new druggable targets to its existing immunology pipeline of cell therapies targeting CD19 and JAK1 and TYK2 small molecule inhibitors. If successful, BridGene will share in the upside with commercial and development milestones totaling ~\$700M representing a win-win for both parties.

”

Strong Series A Set To Advance Precision Oncology Targets Into Clinical Trials



Target

\$102M

Deal Size



nextech



Investors



Carey Gallant, MBA

Associate

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“

Despite what many thought would be a resurgence from the woes in 2023, biotechnology venture funding has been slow to ramp in early 2024. The sector has seen a precipitous drop in the total number of financings from the highs in 2021, and looks to continue, with many funds exercising caution around capital deployment. Among the wreckage, however, Synnovation Therapeutics has defied odds; raising a \$102M Series A from strong investors, including Third Rock Ventures (Lead), plus others, well represented in the space. The [roughly] 64% drop in total early-stage (primarily Series A) venture rounds when comparing January 2023 to January 2024 has unveiled an interesting metric to bear in mind: while the number of deals has fallen substantially, the total capital raised has only seen a [roughly] 7% drop. The venture landscape seems to be hesitant to deploy capital, but when they do, they go for gold. This notable financing round positions Synnovation to continue its momentum, and on the heels of its recent \$25M Seed funding round (May of 2023) is well capitalized for further development of its targeted, precision oncology pipeline assets SNV1521 and SNV4818. Synnovation is preparing to commence a Phase I clinical trial for SNV1521 and expects to begin dosing subjects in early 2024. It will be interesting to monitor how the venture funding landscape shifts, if at all, as we progress further into the first quarter of 2024.

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Cardinal Adopting Ecosystem Approach With Specialty Networks Acquisition



Specialty Networks

Target

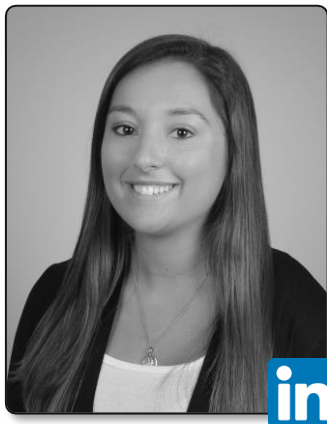
\$1.2B

Deal Size



CardinalHealth

Buyer



Elena Bonetti

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As traditional MedTech players continue to advance their strategies for accelerating long-term growth, we see the emergence MedTech ecosystems to connect disparate products and services for enhanced value creation. As an example, Cardinal Health's recent acquisition of Specialty Networks demonstrates Cardinal's investment in Specialty Care. The acquisition of Specialty Networks not only provides Cardinal with access to a customer base of >1,200 independent urology, gastroenterology and rheumatology practices, but it also layers in data from the practices. The combination of Specialty Networks' commercial footprint as well as data analysis capabilities allow Cardinal to make their products a "link" between upstream and downstream services to connect its offerings in a holistic way. This ecosystem approach inevitably promotes adoption of add-on services as well as long-term customer stickiness, providing MedTech companies with sustained market share and growth prospects.



BioNTech Reinforces Its Emphasis On Oncology Research



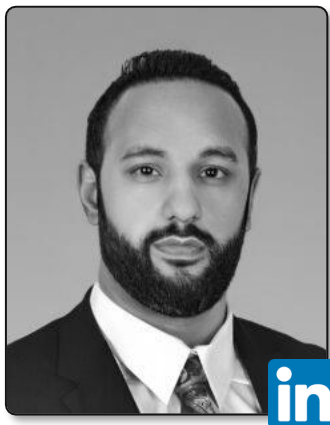
Target

\$20M

Deal Size

BIONTECH

Partner



Fahid Naseer, MBA
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BioNTech's strategic moves to expand its cancer treatment portfolio, leveraging the financial windfall from its COVID-19 vaccine success, demonstrate a forward-thinking approach to oncology. The \$20 million deal with WuXi Biologics, leveraging its proprietary CRDMO (Contract Research, Development, and Manufacturing Organization) model to discover two monoclonal antibodies, highlights BioNTech's aggressive investment in novel cancer therapies. WuXi's CRDMO model stands out for its ability to provide integrated services from discovery through development, showcasing its full spectrum of discovery capabilities using cutting-edge technology platforms. Through this collaboration, BioNTech further diversifies its oncology pipeline, setting a precedent for utilizing CRDMO partnerships to expedite the development of innovative cancer therapies.

”

Voyager Lands Partnership With Gene Therapy Leader, Novartis



\$1.3B

Deal Size



Partner



Roisin O'Brien, PhD

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“

Last month, Voyager Therapeutics had their own “Super Bowl-level” win after announcing a partnership with the legendary gene therapy giant, Novartis. In exchange for \$100M upfront, including a \$20M purchase of newly issued equity, and \$1.2B in potential milestones, Novartis gains worldwide rights to Voyager’s AAV gene therapy program for Huntington’s Disease (HD) and exclusive access to capsids related to Spinal Muscular Atrophy (SMA). Voyager’s novel TRACER™ platform, an RNA-based screening tool that enables rapid discovery of AAV capsids, previously caught the eye of Novartis in March 2022 when they decided to license TRACER capsids for use in undisclosed gene therapy programs. Two years later, this partnership is a no-brainer for Novartis, enabling access to the next generation of TRACER™ capsids for their gene therapy SMA pipeline (Zolgensma®), and collaboration on preclinical HD gene therapies with full commercialization exclusivity. For Voyager, the partnership was strategically a smart move, as Novartis has paved the way to success in development, manufacturing, and commercialization for vector-based gene therapy products, like Zolgensma®, generating \$1.2B in 2023. With runway extended to mid-2026 (and not to mention a \$100M public offering shortly after), it will be interesting to see what Voyager has in store for 2024.

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