



# Outcome Capital Life Sciences Market Pulse

February 2024

Reach the Right Outcome



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



# 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.



PROUDLY FEATURES

## OUTCOME CAPITAL

IN ISSUE OF

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

#### 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



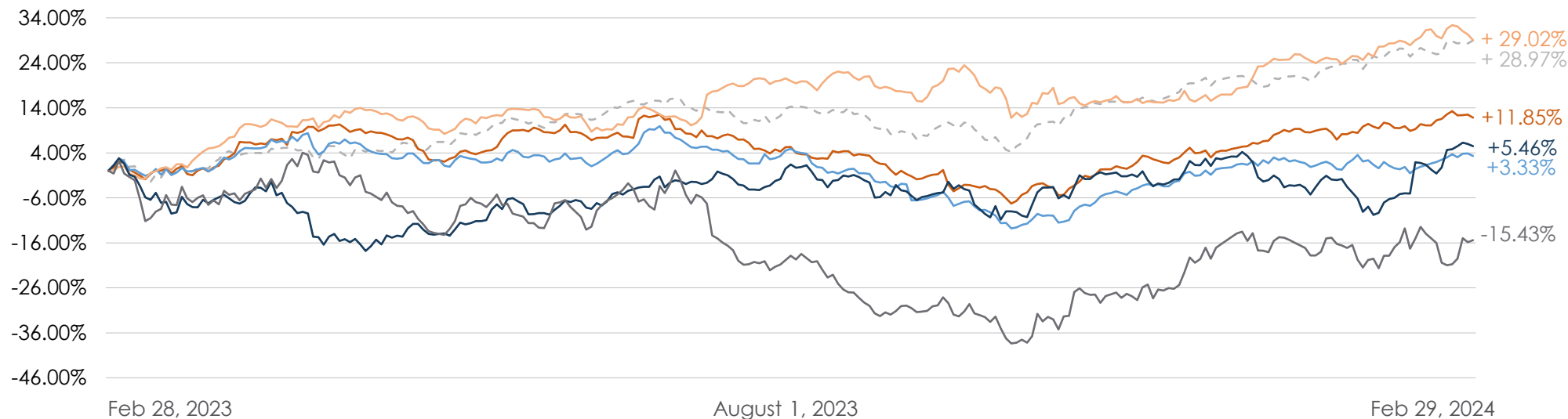
## Outcome Index Tracker



# 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**














February 2024 | Transaction Lineup

# OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE



## February 2024 Transaction Lineup

Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
<a href="#">2/2/2024</a>	 <b>Catalent</b>	 <b>NOVO holdings</b>	Support pharma, biotech & consumer health partners to optimize product development, launch & supply	M&A	\$16,500	\$16,500	Services
<a href="#">2/2/2024</a>	 <b>FRACTYL health</b>	---	Developer of MedTech & gene therapies to target root causes of type 2 diabetes & obesity	IPO	\$110	N/A	MedTech
<a href="#">2/5/2024</a>	 <b>Procyrion</b>	 <b>FANNIN BLUEBIRD VENTURES</b>	Medical device company dedicated to improving outcomes with cardiac & renal impairment	Financing	\$58	N/A	MedTech
<a href="#">2/5/2024</a>	 <b>morphosys</b>	 <b>NOVARTIS</b>	Global biopharma company developing innovative medicines in oncology	M&A	\$2,950	\$2,950	Biotech/ Pharma
<a href="#">2/7/2024</a>	 <b>Redx</b>	 <b>Jazz Pharmaceuticals</b>	Developing small molecule, targeted therapeutics for treatment of fibrotic disease, cancer & fibrosis	Partnership	\$880	\$10	Biotech/ Pharma
<a href="#">2/12/2024</a>	 <b>CYMABAY THERAPEUTICS</b>	 <b>GILEAD</b>	Clinical-stage biopharma company focused on pioneering treatments for primary biliary cholangitis (PBC)	M&A	\$4,300	\$4,300	Biotech/ Pharma

[Hyperlinked  
to Press  
Release](#)



MedTech



Biotech/Pharma



HealthTech



Diagnostics



Life Science Tools



Services

# OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

## February 2024 Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
<a href="#">2/14/2024</a>	VANTAI	Bristol Myers Squibb™	Developer of generative AI platform that designs & develops molecules promoting stable protein-protein interactions	Partnership	\$674	Undisclosed	Biotech/ Pharma
<a href="#">2/15/2024</a>	FireflyBio	DECHENG CAPITAL VERSANT MPM BioImpact Lilly	Industry-leading platform to treat cancer using catalytic protein degraders as the payloads of ADC	Financing	\$94	N/A	Biotech/ Pharma
<a href="#">2/15/2024</a>	COTIVITI	KKR	An analytics company that focuses on the payment accuracy solutions & analytics to healthcare companies	M&A	Undisclosed	Undisclosed	HealthTech
<a href="#">2/15/2024</a>	angiodynamics PICC & Midline Product Portfolios	SPECTRUM VASCULAR	Leading healthcare company focused on restoring healthy blood flow to the vascular system	M&A	\$45	\$35	MedTech
<a href="#">2/15/2024</a>	kelonia	XYPHOS a subsidiary of astellas	Developer of lentiviral particle precisely delivering genetic material to targets in vivo	Partnership	\$800	\$75	Biotech/ Pharma
<a href="#">2/16/2024</a>	KINNATE BIOPHARMA	XOMA ROYALTY	Leveraging structure-based drug discovery to develop small molecules targeting oncogenic drivers	M&A	\$122	\$122	Biotech/ Pharma

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools

Services

# OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE



## February 2024 Transaction Lineup

Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
<a href="#">2/16/2024</a>	Dragonfly	GILEAD	Clinical-stage biotech developing portfolio of drugs from proprietary platforms: TriNKET@s & CYOTKINEs	Partnership	\$300	\$300	Biotech/ Pharma
<a href="#">2/16/2024</a>	TENTARI BIOTHERAPEUTICS	abbvie	Discovering & developing first-in-class targeted, multifunctional therapies in oncology & immunology	Partnership	\$64	\$64	Biotech/ Pharma
<a href="#">2/23/2024</a>	ABRIDGE	Bessemer Venture Partners KAISER PERMANENTE VENTURES Lightspeed CVS Health IVP	Medical conversation AI startup using natural language processing algorithms to create notes for clinicians	Financing	\$150	N/A	HealthTech
<a href="#">2/26/2024</a>	ngmbio	THE COLUMN GROUP	Focused on integrating a biology-centric drug discovery approach & advanced protein engineering to develop novel therapeutics	M&A	\$135	\$135	Biotech/ Pharma
<a href="#">2/27/2024</a>	ScienceIO	veradigm	Leading AI platform & foundational model provider for healthcare providers	M&A	\$140	\$96	HealthTech
<a href="#">2/27/2024</a>	ArgoMedtech NEXT GENERATION CARDIAC ABLATION	Advent Life Sciences EARLYBIRD HEALTHCARE	Developer of proprietary Pulse Field Ablation system utilized in treating cardiac arrhythmias	Financing	\$58	N/A	MedTech

[Hyperlinked  
to Press  
Release](#)

MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools













Services



# OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE



## February 2024 Transaction Lineup

Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
<a href="#">2/27/2024</a>	 NEOMORPH	 novo nordisk®	Developer of protein degradation platform which marks pathologic proteins for degradation	Partnership	\$1,400	Undisclosed	Biotech/Pharma
<a href="#">2/28/2024</a>	 Patch Biosciences	 GINKGO BIOWORKS	Synthetic biology & machine learning company with a platform to engineer gene therapies & medications	M&A	Undisclosed	Undisclosed	Biotech/Pharma
<a href="#">2/28/2024</a>	 SOCIETAL™ CDMO	 core Rx® <small>EXCLUSIVE PATENTED SOLUTIONS</small>	Solving complex formulation & manufacturing challenges in small molecule therapeutic development	M&A	\$203	\$203	Services
<a href="#">2/28/2024</a>	 Reverie Labs	 GINKGO BIOWORKS	Pharma company using innovative computation chemistry & machine learning to accelerate drug discovery	M&A	Undisclosed	Undisclosed	Diagnostics
<a href="#">2/28/2024</a>	 KENAI THERAPEUTICS	 THE COLUMN GROUP CURE VENTURES APFC EUCLIDEAN CAPITAL saisei <small>BIOLIFE PHARMACEUTICALS CORPORATION</small>	Advancing dopamine neuron replacement therapies as disease-modifying & potentially curative treatment for neurological diseases	Financing	\$82	N/A	Biotech/Pharma
<a href="#">2/29/2024</a>	 ELITech Group	 BRUKER	In-vitro diagnostic company known for molecular diagnostic systems, InGenius & BeGenius	M&A	\$942	\$942	Diagnostics

[Hyperlinked to Press Release](#)

 MedTech

 Biotech/Pharma

 HealthTech

 Diagnostics

 Life Science Tools

 Services



## Highlighted Transactions

## Novartis Continues Inorganic Growth In Core Therapeutic Areas

**Morphosys**

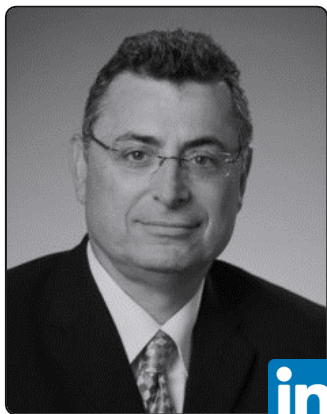
Target

**\$2.95B**

Deal Size

**NOVARTIS**

Buyer



**Oded Ben-Joseph, PhD, MBA**

Managing Partner

Outcome Capital, LLC

[oben-joseph@outcomecapital.com](mailto:oben-joseph@outcomecapital.com)

“

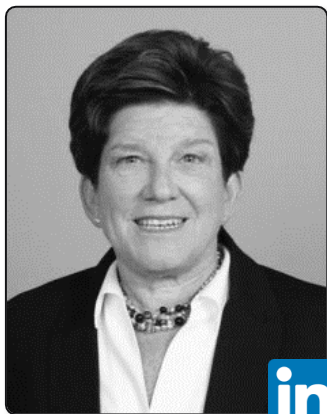
Novartis announced its proposed acquisition of MorphoSys, a leading developer of cancer treatments, for \$2.9B. The \$74 per share cash offers at an 89% premium, in line with market dynamics for a company developing a potential blockbuster drug. Novartis' interest in pursuing pelabresib, MorphoSys' lead drug candidate, a BET (Bromodomain and extra-terminal) inhibitor for the treatment of myelofibrosis and lymphomas, was met with a surprise from investors after mixed results emerged surrounding pelabresib's secondary endpoint in the Phase III clinical trial last November. With this said, pelabresib met its primary endpoint with statistically significant clinical improvements that suggests it may have superior efficacy to AbbVie's Navitoclax. Given the market potential and clinically meaningful results demonstrated in Phase 3, the gamble is worth it, in our opinion, as Novartis seeks to further their global oncology franchise. Aside from pelabresib, MorphoSys is developing a promising inhibitor to the EZH1 and EZH2 proteins for the treatment of lymphoma; further derisking the investment.

”

## Viking's GLP-1 Spurs steep Weight Loss, Sending Shares Up 80%

### VIKING THERAPEUTICS

#### Outcome Capital Insight



**Ellen Baron, PhD**

Managing Director  
Outcome Capital, LLC  
[ebaron@outcomecapital.com](mailto:ebaron@outcomecapital.com)

“

*Eli Lilly & Co. (LLY) and Novo Nordisk (NVO), the dueling pharmaceutical giants currently dominating the obesity-drug race, will likely rack up more wins in 2024 as they seek to stay ahead of a growing pack of contenders. But there's still plenty of headroom for more players in this niche, especially for companies developing pill versions of the popular GLP-1 drugs as well as new drug candidates that promote weight loss while preserving lean muscle. Viking Therapeutics has emerged as a strong potential player — and deal target — in the budding weight loss drug market. Viking is just one of several companies racing to join the growing space. Some analysts forecast that the market could be worth \$100 billion by the end of the 2030. The new data also makes Viking a more attractive deal target for larger companies trying to break into the space or expand their obesity treatment offerings. Investors sent the stock skyward as they digested data from a 176-subject phase 2 trial that paints Viking as a serious force in the red-hot obesity space. Up to 88% of patients on VK2735 experienced weight loss of 10% or more, compared to 4% of people on placebo, and Viking believes further weight loss is possible beyond Week 13. Roche Holding AG (RHHBY) earlier this month struck a deal to buy obesity-drug developer Carmot Therapeutics for up to \$3.1 billion, while AstraZeneca PLC (AZN) licensed-in an experimental obesity and diabetes treatment from Shanghai company Eccogene. Newer drugs in development will aim to preserve muscle, rein in side effects.*

”

## Xoma Seamlessly Acquires Kinnate Biopharma For \$122M

**KINNATE**  
B I O P H A R M A

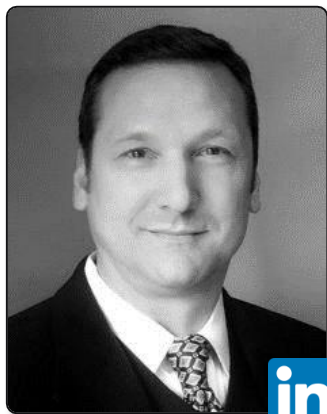
Target

**\$122M**

Deal Size

**XOMA**  
ROYALTY

Buyer



*Paul Mieyal, PhD, CFA*  
Managing Director  
Outcome Capital, LLC  
[pmieyal@outcomecapital.com](mailto:pmieyal@outcomecapital.com)

“

Though theoretically sitting on two years of operating runway, Kinnate was less healthy than its balance sheet might suggest. Despite reporting \$180M of cash in September, the company had early-stage assets with a high burn rate and proactively cut its workforce by 70%. Kinnate shareholders were facing a potentially grim outlook with continued erosion of cash before seeing meaningful milestones or a return of capital, if any. In the transaction with Xoma, Kinnate shareholders receive instant liquidity reflecting the cash on hand while accomplishing an orderly transfer of assets with additional upside optionality in the form of CVRs from the assets that Xoma acquires. Xoma's offer is subject to the availability of at least \$120M of cash, net of transaction costs, wind-down costs, and other liabilities, at closing – which Xoma says will add to their existing cash balance while potentially adding several programs to their royalty portfolio. Net-net, by effecting this transaction in an opportunistic way for Xoma, Kinnate investors likely preserved more value than would have been achievable by continuing on the same stand-alone path.

”

## Fractyl Health's \$110 Million IPO



**\$110M**  
Deal Size

Initial Public Offering



**Karl Hess, MBA**  
Managing Director  
Outcome Capital, LLC  
[khess@outcomecapital.com](mailto:khess@outcomecapital.com)

“

Fractyl Health (Nasdaq: GUTS), a metabolic therapeutics company focused on pioneering new approaches for the treatment of type 2 diabetes (T2D) and obesity, broke the MedTech public market drought and made its public markets debut on February 2, with its initial public offering of 7,333,333 shares of common stock at a public offering price of \$15 per share. Fractyl Health was originally founded in 2010 and had previously raised \$255 million over numerous venture rounds, the latest of which was a 'Series F' round which closed in August of 2022. Fractyl's Revita DMR system – a medical device used to perform a 45-minute outpatient endoscopic catheter-based ablation procedure that modifies the duodenum, a part of the small intestine that regulates the metabolic response to food intake – won FDA breakthrough device status in April of 2023. Similar to the effects of some types of bariatric surgery, Fractyl's Revita device and procedure targeting the duodenum mucosa serve to re-sensitize the patient to their natural insulin levels. While "GUTS" is trading lower than at its debut, it seems to be holding at a little more than half of its original price per share, and will certainly be closely monitored as to its future status as either a 'harbinger' or a 'canary', with regard to other companies' public offering ambitions.

”



## Novo Holdings Acquires Catalent To Boost Production Of GLP-1 Drugs

**Catalent**<sup>®</sup>

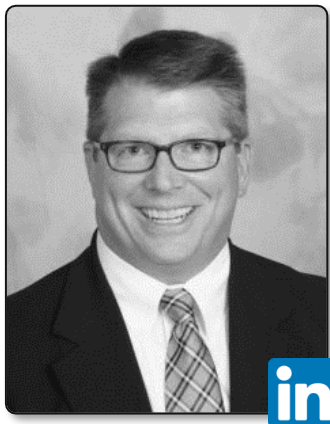
Target

**\$16.5B**

Deal Size

novo  
**holdings**

Buyer



**Craig Steger**

Director

Outcome Capital, LLC

[csteger@outcomecapital.com](mailto:csteger@outcomecapital.com)

“

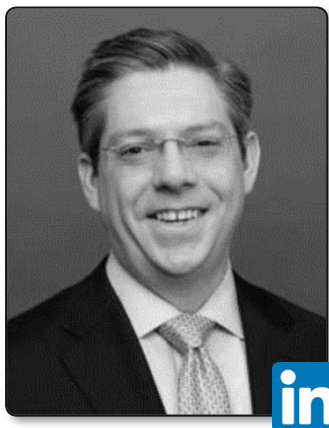
One of the hottest areas in drug discovery has been around the GLP-1 obesity and diabetes drugs. Stiff market competition has emerged from Novo Nordisk and Eli Lilly; maintaining market supply has been key to success. The announced acquisition of the CDMO giant, Catalent, by Novo Holdings (majority owner of Novo Nordisk) for \$16.5 B may have changed the market dynamics. This proposed transaction would allow Novo Holdings to turn over 3 manufacturing plants to Novo Nordisk to increase their production of Wegovy and Ozempic, while keeping the remaining 40+ global sites focused on the remaining CDMO business. Eli Lilly has already asked for antitrust authorities to review the proposed merger but there is little ground to block the proposed deal. Meanwhile, other CDMO service providers are hoping this allows them to capture additional contracts as this transaction may cause pharma to shop around to other providers.

”

## Bruker Acquires Leading Instrumentation & Molecular Diagnostic Player, ELiTech



\$942M  
Deal Size



Thomas Busby, MBA  
Director  
Outcome Capital, LLC  
[tbusby@outcomecapital.com](mailto:tbusby@outcomecapital.com)

“ Private equity-backed instrumentation and molecular diagnostics player, ELiTech, has found a new home with a strategic buyer in Bruker. Though started as a clinical chemistry business, ELiTech must now divest this franchise to consummate the deal with Bruker. Meanwhile, Bruker excitedly awaits purchase of ELiTech’s other business units: biomedical systems, microbiology, and molecular diagnostics. With 60% of revenues attributed to consumable usage, ELiTech is delivering high margin assets with stable cash flows. A predicate for success for others in the space.

”



## Large Pharma Continues To Turn To AI Platforms To Streamline Drug Discovery

VANTAI

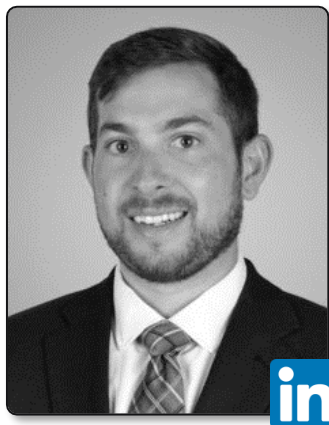
Target

\$674M

Deal Size

 Bristol Myers Squibb™

Partner



Nick Frame, PhD

Senior Vice President  
Outcome Capital, LLC  
[nframe@outcomecapital.com](mailto:nframe@outcomecapital.com)

“

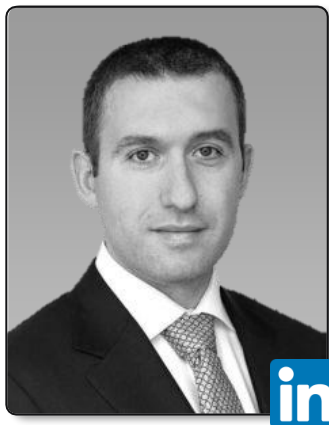
VantAI's drug discovery platform integrating computational biology techniques with generative AI scored the most recent deal with Large Pharma. The drug discovery partnership inked with BMS and worth up to \$674 million is focused on identifying molecular glues, an emerging drug class garnering biopharma interest. More holistically, the partnership demonstrates continued interest of large pharma, including BMS, in improving drug discovery and the enthusiasm around AI in accelerating and improving a rate limiting step in the drug development cycle. To this end, BMS previously entered into a partnership with Owkins to focus on preclinical utility of AI in cardiovascular disease. Further, yet another partnership, reaffirms the business model of the more service-based AI companies. VantAI had established a partnership with Johnson & Johnson after spinning out from Roivant, and is one of the many companies that has demonstrated the ability to establish multiple distinct, high-value deals with leading strategics. Interestingly, the focus of the partnership between VantAI and BMS is to identify small molecule therapeutics which BMS plans take into preclinical and clinical development. The focus on small molecules therapeutics demonstrates the continued utility and interest in the modality despite the headwinds predicted after the announcement of the shorter pricing exclusivity window as initially presented in the IRA. We are not surprised with the continued interest in small molecules given the development challenges of more advanced therapies / biologics but are encouraged to see the interest of BMS in developing small molecules internally. As this deal is the confluence of many ongoing biopharma industry trends, we look forward to continued deal activity between biopharma and "TechBio" companies.

”

## Gilead Acquires CymaBay Therapeutics To Expand Liver Disease Therapeutics Portfolio



\$4.3B  
Deal Size



*Michael Casasanta, PhD*  
Senior Associate  
Outcome Capital, LLC  
[mcasasanta@outcomecapital.com](mailto:mcasasanta@outcomecapital.com)



The string of good news continues for CymaBay Therapeutics shareholders as Gilead has announced its acquisition of the company's equity for \$32.50 per share, representing a 27% premium to the closing share price on 2.9.2024. CymaBay has had a steady supply of positive clinical readouts for their ENHANCE phase 3 study going back to April 6th, 2023, after reporting safety/efficacy data at a 3-month time point (total trial was 12 months). The stock was trading at \$8.76/share after that interim data drop with the final acquisition price representing a 369% appreciation in value upon announcement of Gilead's acquisition. For this premium, Gilead is taking control of CymaBay's first-in-class PPAR $\delta$  agonist to treat primary biliary cholangitis, Seladelpar, for which the FDA just announced acceptance of the company's NDA and granted a priority review. For the two companies, the deal was over a year in the making with informal contact prior to top-line readouts taking place in December of 2022 and ending with a merger agreement signed in February 2024. There were 22 participants in strategic partnership discussion with CymaBay over the course of the last year, creating healthy competition for the company's lead asset. Ultimately, this seems like an ideal synergistic fit with Gilead's existing liver therapeutics offering and their focus on bolstering immunology pipelines by gaining a near-commercial ready asset to their portfolio. Seladelpar will be added to Gilead's arsenal of viral hepatitis therapeutics and an up-and-coming NASH combinatorial therapeutic in phase 2 leveraging a partnership with Novo and their blockbuster semaglutide. We will continue to watch biopharma dealmaking unfold in 2024, but it is certainly off to a hot start.



## Transformational Degradable Antibody Conjugate (DAC) Technology



Target

\$71.7M

Deal Size



Investors



Carey Gallant, MBA

Associate

Outcome Capital, LLC

[cgallant@outcomecapital.com](mailto:cgallant@outcomecapital.com)

“

Firefly Bio appears to be in a league of its own, emerging from the congested antibody drug conjugate (ADC) space – like... a beautiful, firefly? (that can't be right). The emergence of ADCs for targeted therapy has unveiled compelling differentiation from competing approaches. The potential for these chassis to deliver therapeutic payloads, with minimal systemic overactivation, has created a whirlwind of excitement around what, and where, the boundaries of targeted treatment lie – and where there is excitement, money tends to follow. Despite, the industrywide enthusiasm, systemic administration of ADCs [+ treatment] has highlighted a few shortcomings: a limited therapeutic index, due, primarily, to broadly cytotoxic payloads, and the inability to knock down specific intracellular proteins. Leveraging its proprietary Firelink linker technology, with successful transport of catalytic protein degraders as the payloads, Firefly's Degradable Antibody Conjugates (DAC) significantly reduce free therapeutic payload in circulation, minimizing off-target effects, and leading to lower required doses for optimal efficacy. Although early, the company's technology appears to improve upon existing technologies within the space (i.e., Orum Therapeutics, receiving >\$100M in VC funding over the past 3 years to fund development of its proprietary dual-precision targeted protein degradation (TPD<sup>2</sup>™)). It's exciting to imagine the selective targeting, and treatment, potential now achievable through Firefly's differentiated class of DACs.

”

## Ginkgo Bioworks Acquires Patch Biosciences Accelerating AI-Directed Therapies



Patch Biosciences

Target

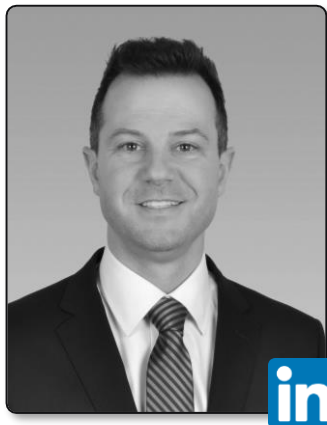
Undisclosed

Deal Size



GINKGO  
BIOWORKS

Buyer



Daniel Slade, PhD

Associate

Outcome Capital, LLC

[dslade@outcomecapital.com](mailto:dslade@outcomecapital.com)



*Ginkgo Bioworks, a world leader in R&D services in cell programming systems that broadly serve the biopharmaceutical market, has acquired Patch Biosciences for an undisclosed amount. Patch specializes in engineered gene therapies that are designed through artificial intelligence and machine learning. This acquisition continues the current trend of excitement towards early-stage biotech companies using AI and adds to Ginkgo's already robust synthetic biology framework that enhances gene therapies and RNA therapeutics. Ginkgo has made a strong statement in 2024 by also acquiring Proof Diagnostics and Reveries Labs, which further strengthens their foothold in driving genetic medicine capabilities. With strong partnerships already in place with biotech giants including Biogen and Pfizer, and the fields of gene editing and cell therapies gaining traction for a myriad of diseases, these strategic acquisitions position Ginkgo for significant expansion in AI driven biopharma.*



## SciencelO To Integrate AI At The Center Of Veradigm's Platform



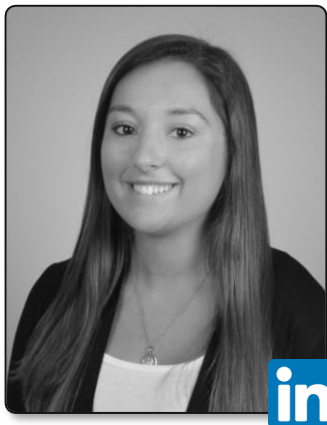
Target

\$140M

Deal Size



Buyer



**Elena Bonetti**

Senior Analyst

Outcome Capital, LLC

[ebonetti@outcomecapital.com](mailto:ebonetti@outcomecapital.com)



*With digital and AI-enablement at the center of life sciences innovation, Veradigm takes the next step into AI healthcare models with its acquisition of SciencelO. Through this acquisition, SciencelO's expertise in foundational AI models for healthcare data will act as an enabling technology within Veradigm's existing platform. SciencelO leverages AI to organize large amounts of patient and healthcare data for predictive modeling to enhance both hospital workflows and patient outcomes. Veradigm's robust data set combined with SciencelO's AI models allows the company to take the next step in driving high-value, high-margin offerings through all its segments by providing its customers with optimized experiences and actionable, data-driven insights. Ultimately, positioning Veradigm as an intelligent platform for use cases across life sciences and healthcare propels the company to the forefront of HCIT.*





## KKR & Cotiviti Seal HealthTech Mega Deal

COTIVITI

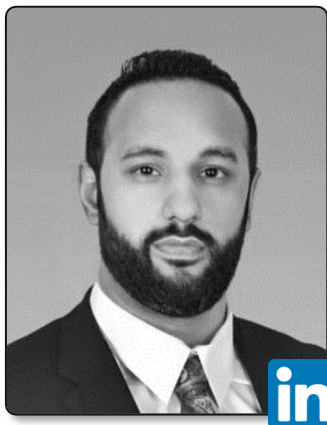
Target

Undisclosed

Deal Size

KKR

Buyer



**Fahid Naseer, MBA**  
Senior Analyst  
Outcome Capital, LLC  
[fnaseer@outcomecapital.com](mailto:fnaseer@outcomecapital.com)

“

The strategic alliance between KKR and Cotiviti marks a pivotal development within healthcare analytics. Cotiviti disclosed a comprehensive recapitalization agreement, which integrates its current partner, Veritas Capital alongside KKR. This deal is set to propel Cotiviti's mission to augment healthcare delivery via the integration of sophisticated data analytics and technological advancements. With an estimated valuation of \$11 billion, this arrangement significantly highlights both KKR and Veritas Capital's dedication to catalyzing innovation and advancing growth across the healthcare sector. Additionally, this marks a notable victory for Wall Street banks in their competition with private credit funds by securing one of the largest debt packages in recent months. Both sectors have been vying to fund a scarce number of leveraged buyouts, as private equity sponsors face challenges in divesting their portfolio companies. A coalition of two leading banks, JPMorgan Chase & Co. and Goldman Sachs Group Inc., collaborated to secure the \$11 billion financing package. This sum consists of a \$4.4 billion floating rate term loan by JPMorgan, alongside a \$600 million fixed rate term loan spearheaded by Goldman Sachs.

”

## Novo Nordisk Signs \$1.4B Deal For Neomorph's Molecular Glue Platform



\$1.4B  
Deal Size



**Roisin O'Brien, PhD**  
Senior Analyst  
Outcome Capital, LLC  
[robrien@outcomecapital.com](mailto:robrien@outcomecapital.com)

“

Move over Cupid, we've got another matchmaker in town. Neomorph, a San Diego-based, biotech company, developed a proprietary platform to identify molecular glues or small molecules that “match” disease-causing proteins with native enzyme degradation machinery. Molecular glue degraders tag pathologic proteins for targeted destruction by the 26S proteasome, thereby removing all negative downstream biological processes from occurring. Neomorph's proprietary molecular glue discovery platform aims to discover therapeutics against previously considered ‘undruggable’ targets, offering an expansive opportunity to approach a larger section of the proteome. This differentiated approach to drug discovery caught the eye of Novo Nordisk, and in the spirit of this Valentines Day season, signed a collaboration and licensing agreement with Neomorph to develop and commercialize the molecular glue “matchmakers” for cardiometabolic and rare diseases. Valued up to \$1.4B including upfront, near-term, and future milestone payments, Neomorph will lead discovery and activities against select targets, leaving Novo Nordisk with exclusive rights to pursue any additional clinical and commercial developments. As Novo Nordisk follows in the footsteps of Genentech, who signed a deal last September for Orionis Biosciences' molecular glue platform, and Merck, who signed a deal last April with Proxygen over their glue degrader platforms, it will be interesting to watch this collaboration develop over the next coming months.

”



**OUTCOME**  
CAPITAL

PULSE



20 Custom House St.  
Suite 1200  
Boston, MA 02110  
(617) 953-4489

Reach the Right Outcome

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

