



Outcome Capital: Quarterly Market Segment Report

Medical Device Segment Overview | Q1 2024

Reach the *Right Outcome*



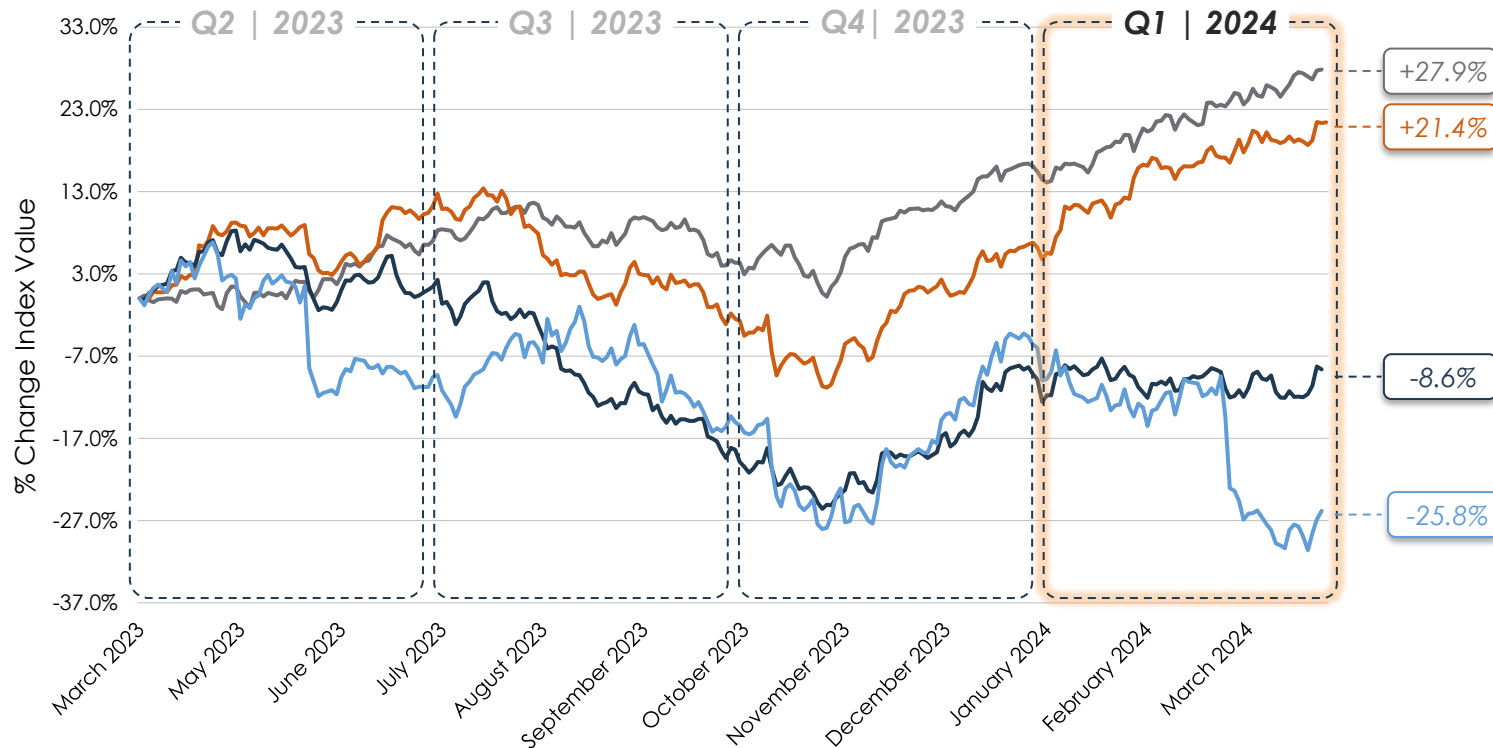
MEDICAL DEVICE MARKET PERFORMANCE



Trailing-Twelve-Months (TTM) Review

Key Insights

- >\$10B MedTech index keeping pace with S&P500 performance
- ZimVie spun out Spine Division early in 2024 reinforced trend for focused, sector-specific MedTech strategies
- Intuitive announced FDA clearance of DaVinci 5 system in March; further strengthening position as surgical robotics market leader
- Haemonetics earnings call emphasized near- & long-term M&A strategy to bolster innovation pipeline & support product launches



S&P500 —
 <\$3B MedTech —
 \$3-10B MedTech —
 >\$10B MedTech —

<\$3B MedTech Index

\$3-10B MedTech Index

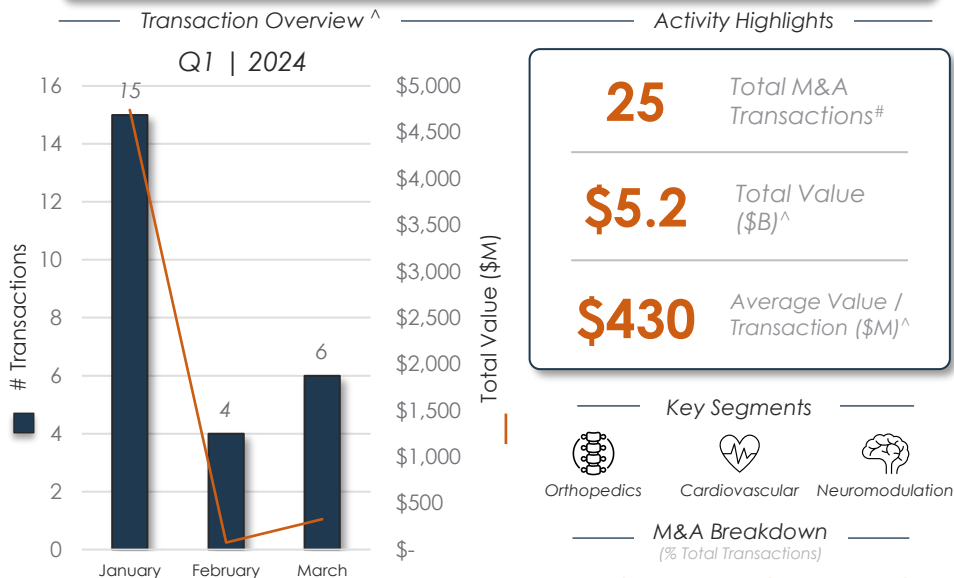
>\$10B MedTech Index

MEDICAL DEVICE TRANSACTIONAL ACTIVITY

M&A Activity | Q1 2024



M&A Transactions Overview



^Based on transactions with disclosed values & stages
#Includes transactions with undisclosed values

Active Acquirers



Select M&A Transactions

TARGET	BUYER	DEAL SIZE	DESCRIPTION
Axonics	Boston Scientific	\$3.7B	1/8/24 – Developer of novel products for bladder & bowel dysfunction
mim SOFTWARE	GE HealthCare	Not Disclosed	1/8/24 – Developer of medical image analysis & AI solutions for multiple indications
innersight	STORZ KARL STORZ - ENDOSKOPE	Not Disclosed	1/10/24 – Software developer of patient-specific 3D models based on CT/MRI scans
APTMedical	mindray	\$865M	1/29/24 – Developer of electrophysiology, arterial/vascular access devices
attune medical®	HAEMONETICS®	\$160M	3/5/24 – Developer of only FDA-cleared temperature regulation device for esophageal protection

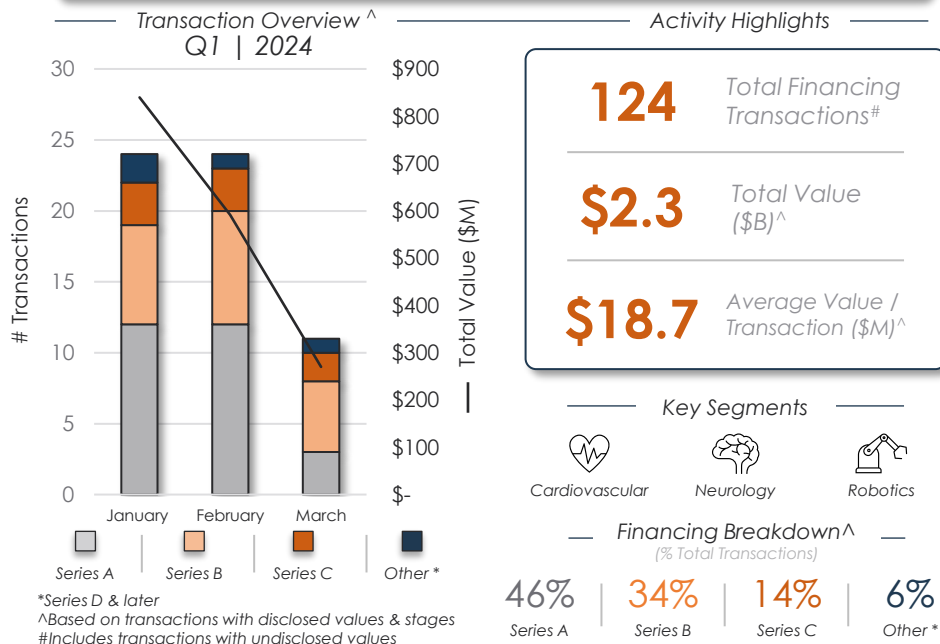
* Note: Deals volumes & capital deployed based on transactions between 1/1/24 – 3/31/24

MEDICAL DEVICE TRANSACTIONAL ACTIVITY

Financing Activity | Q1 2024



Financing Transactions Overview



Key Participation



Select Financing Transactions

TARGET	LEAD	DEAL SIZE	DESCRIPTION
		\$125M	1/4/24 – Developer of implantable restorative neurostimulation system
		\$136M	1/5/24 – Developer of proprietary cardiac contractility modulation technology
		\$110M	2/21/24 – Developer of robotic technology for soft tissue open surgery
		\$85M	3/12/24 – Developer of minimally invasive solutions for chronic neuropathic pain
		\$33M	3/26/24 – Developer of intra-aortic filter to safeguard brain from embolic material

* Note: Deals volumes & capital deployed based on transactions between 1/1/24 – 3/31/24

Q1/24 MEDICAL DEVICE SEGMENT TRENDS

Outcome Leadership Insights & Takeaways



Medical Device Segment Insights



Doubling Of FDA Approvals Will Result In Fierce 2024 Competition

- 113 Device approvals in 2024 vs. 62 approvals in 2023
- Rapid pace of innovation (due to COVID backlog) creating heightened demand for sales executives with numerous new product entrants hitting the market
- Growth capital markets will continue to be stretched supporting new launches



Profitability (Almost) Required To Trigger M&A & Fundraising Interest

- Strategic buyers & institutional investors remain focused on eliminating market risk to transact; proven adoption by sampling of physician-community required
- Breakthrough technologies with strong product/market fit met with some exceptions
- Strong 3rd party market access analysis key to substantiate business model for pre-revenue transactions

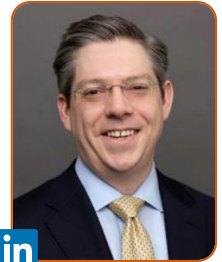


Device Connectivity Sought By Many Strategics

- Real-time user insights inform sales/marketing strategies
- Future AI models taught with data extrapolations
- Enhanced device support reliant upon remote access

Outcome Insights

“2023 was a hard year for many middle market and growth-stage device companies. Capital markets were near frozen with many investors bridging their portfolio companies into new rounds (some that still have yet to close). And buyers weren’t “buying into” many of the post-money valuations completed during COVID-era low interest rates. Q1 saw buyer/seller expectations begin to align, and strategics being forced to refresh portfolios to energize profitability and have new growth stories to tell shareholders.”



Thomas Busby, MBA
Director
Outcome Capital, LLC

MEDICAL DEVICE TRANSACTION TRENDS

Outcome Leadership Insights & Takeaways



Medical Device Transaction Value Drivers



Operating in market "white spaces" with minimal competition draws investor/strategic interest



Adoption = repeat use by target customers; this is what counterparties need to see to prove business case



Therapeutic devices attract more interest than most accessories, instruments or other equipment



In a reduced cost-of-development market, seamless transitions from concept, to approval, to commercial preserves capital & prevents dilution

Highlighted Medical Device Transaction: Q1 | 2024



Axonics

Target

Boston
Scientific

Buyer

Date: January 2024

Type: M&A

\$3.7B

Deal Value

Commercial

Deal Stage

Target Description:

Global medical device developer of novel products for bladder & bowel dysfunction introducing significant enhancements to sacral modulation therapy

Transaction Insights

- With a 9X LTM revenue/TEV multiple applied to the Axonics deal, its clear Boston Scientific saw tremendous strategic value in the Axonics platform
- Axonics delivered a strong user base in a growing market with limited therapeutic solutions available
- After a recent push in the urology segment, Boston Scientific is bringing in a crown jewel into its portfolio with Ray Cohen-founded enterprise

OUTCOME CAPITAL

Strategic Advisory & Investment Banking



Outcome Capital is a highly specialized life sciences & healthcare strategic advisory and investment banking group.

Our team brings a unique blend of scientific training, operational experience and financial expertise to assist companies in developing a market-aligned strategy to catalyze M&A, partnership and financing transactions. Leveraging a “strategy-first” approach to value enhancement, our goal is to assist management teams and boards effectively navigate strategic and financial markets. Distinct from traditional financial institutions, Outcome’s team is a blend of PhD scientists, physicians, CFAs, MBAs, venture capitalists, former CEOs and seasoned entrepreneurs. Outcome’s DNA enables our bankers to relate to our clients, and speak directly to the technology, R&D pathway and commercial strategies from a first-hand perspective.

Outcome’s quarterly market reports provide an overview of deal activity in select segments across the life sciences and healthcare industries and is accompanied by specific drivers and trends insights from our team.

Please reach out to our team for further information.



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Leveraging our expertise across the life sciences value chain, we help management teams steer across complex environments, providing a multidisciplinary & multidimensional perspective aimed at creating optionality & reducing risk toward increased probability of a successful transaction




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