



Outcome Capital Life Sciences Market Pulse

June 2024

Reach the Right Outcome



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OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

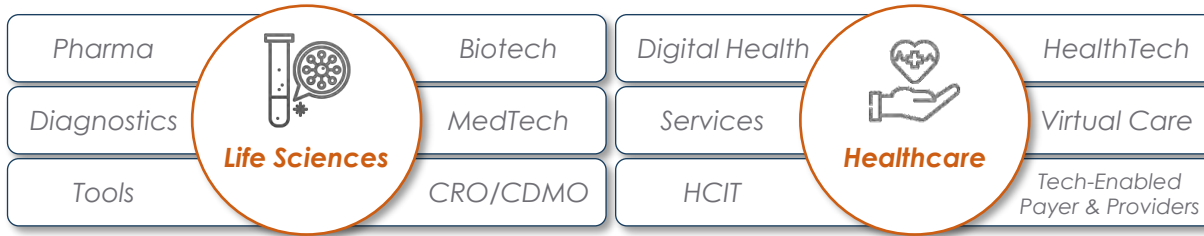
Market Trends & Strategic Transactional Insights



OUTCOME CAPITAL is a highly-specialized life sciences & healthcare-dedicated investment banking & strategic advisory firm adopting a unique market-driven, strategy-led, approach to value enhancement. Our team consists of industry veterans with broad entrepreneurial, strategic & operational expertise with deep scientific, clinical & financial expertise.



Select Industry Expertise



Strategically Focused Transactions



Inside the Pulse

Outcome Index Tracker

Custom medtech, biotech/pharma, diagnostics, services & healthtech indices benchmarked to the S&P500

Outcome Leadership Insights

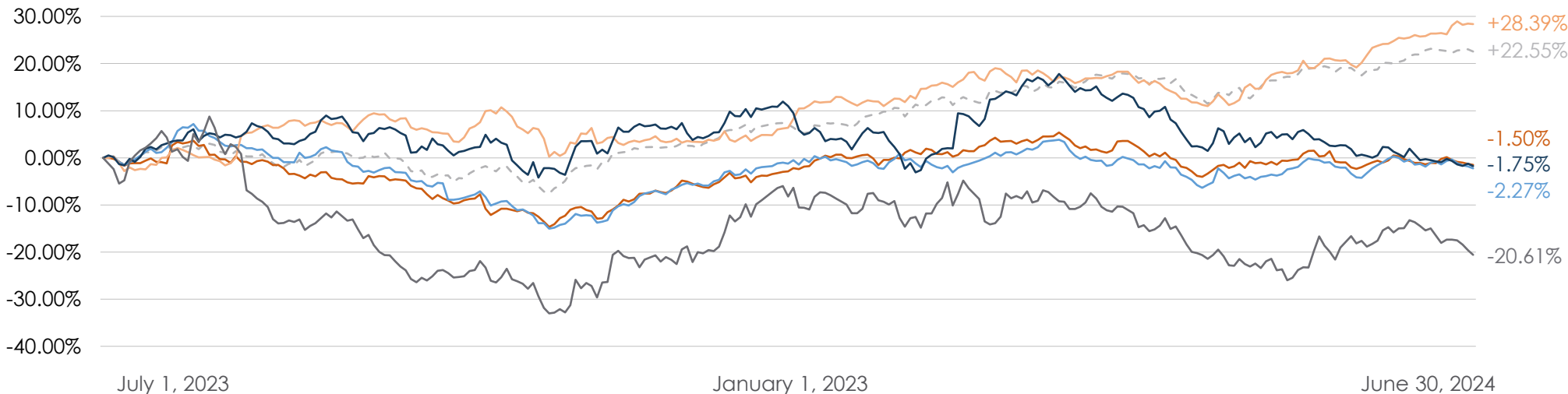
- › Strategic analysis & transaction takeaways from Outcome Capital's life sciences-dedicated deal team

Notable Transactions Lineup

- › Snapshot of prominent life sciences deals highlighting industry-defining activity

OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

June 2024 | 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

Highlighted MedTech Transaction



Target



Buyer

Date: 6/6/2024

Type: M&A

Target Description: Developer of medical device robotics to enhance minimally invasive surgery, including multi-port systems and instruments

\$108M

Deal Value

Commercial

Deal Stage

Transaction Structure & Overview

- Karl Storz acquires Asensus Surgical for \$0.35 per share in cash representing a 52% premium to the preceding days closing price
- Acquisition strengthens KARL Storz position in growing surgical market & enhances robotic portfolio

Outcome Strategic Insights

“ After a successful co-development partnership established in 2023, Karl Storz agreed to acquire Asensus Surgical for a 67% premium to its market value. The agreed upon deal is yet another example of how early strategic partnerships can create shareholder value towards a future exit, a trend becoming more and more prominent in MedTech M&A. Karl Storz will leverage its extensive commercial network and leading instrumentation expertise to expand distribution of Asensus ISU as both a separate and combined entity with their current visualization systems. This integration positions Karl Storz in a strong leadership position in a growing surgical robotics industry that is expected to see continued growth. Holistically, we at Outcome are strong proponents of risk sharing relationships such as the one between Karl Storz and Asensus. We recommend CEOs and boards of development and early commercial stage MedTech companies continue to explore building early strategic relationships that create shareholder value, mitigate risk and instigate an eventual M&A.



Oded Ben-Joseph, PhD, MBA

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Highlighted BioPharma Transaction



Target

Date: 6/7/2024

Type: IPO

Target Description: Clinical stage biopharma company developing transformational small-molecule medicines for central nervous system disorders

\$154M

Deal Value

Transaction Structure & Overview

- Rapport Therapeutics issued 1.2 million shares of common stock at \$17 per share to fund proof-of-concept testing
- IPO valued the company at \$637M. One month following the public offering, shares rose to \$24 per share, valuing the company at \$890M

Outcome Strategic Insights

“ Rapport Therapeutics, Inc. (Nasdaq:RAPP), a company whose neuroscience technology comes from Johnson & Johnson, joined the public markets June 7, 2024, raising \$154 million for proof-of-concept testing of a lead program in development for a novel approach to focal epilepsy, a form of the disorder that affects 1.8 million people in the US. The clinical-stage biotechnology company is dedicated to discovering and developing transformational precision neuromedicines for patients suffering from central nervous system (CNS) disorders. The Company’s founders have made pioneering discoveries related to the function of receptor associated proteins (RAPs) in the brain. Their findings form the basis of Rapport’s RAP technology platform, which enables a differentiated approach to generate precision small molecule product candidates with the potential to overcome many limitations of conventional neurology drug discovery. Rapport’s precision neuroscience pipeline includes the Company’s lead clinical program, RAP-219, designed to achieve neuroanatomical specificity through its selective targeting of a RAP expressed in only discrete regions of the brain. The Company is currently advancing RAP-219 in clinical trials in focal epilepsy, peripheral neuropathic pain, and bipolar disorder. Additional preclinical and late-stage discovery stage programs are also underway, targeting CNS disorders including chronic pain and hearing disorders.



Ellen Baron, PhD
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Highlighted Digital Health Transaction



ALTARIS

Buyer

Date: 6/21/2024

Type: M&A

\$540M

Deal Value

Commercial

Deal Stage

Target Description: Digital health platform providing members with personalized information, programs and resources to improve their health and well-being

Transaction Structure & Overview

- All-cash transaction with Altaris taking Sharecare private at a price of \$1.43 per share
- Represents an 87% premium over the 90-day volume weighted average trading price
- Reinforces Altaris' expansion into hospital at home services and technologies as the investment firm seeks to capture high-growth opportunities within healthcare markets

Outcome Strategic Insights

“ Sharecare, founded in 2010 by WebMD founder Jeff Arnold and Dr. Mehmet Oz, was offered \$1.43 in cash per share, an 85% premium to the firm's trading price on June 20. Sharecare offers a virtual healthcare navigation platform for individuals, employers, government organizations, communities, health plans and providers. Sharecare went public via its SPAC merger with Falcon Capital Acquisition Corp. for \$3.9 billion in July of 2021. A month later, Sharecare got into the home health market with its \$65 million acquisition of CareLinx. The company seems to have hit some headwinds of late, however, with essentially flat revenues from 2022 to 2023, and reported revenues in 1Q24 of \$90.9 million, down 22% from the 1Q23. While Altaris has shown a good, historical track record for revenue growth, there's probably a higher amount of risk associated with this deal closing and with the investment itself, as Sharecare has several lawsuits against it, including from former partner, Fruit Street Health, as well as numerous shareholder class action lawsuits against it, and is reportedly owed \$50 million by a customer who has chosen to withhold payments in an ongoing contract dispute.



” **Karl Hess, MBA**
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Highlighted MedTech Transaction

 **Edwards Lifesciences**
Critical Care Division

Target



Buyer

Date: 6/3/2024

Type: M&A

Target Description: Provider of a hemodynamic monitoring platform and decision support software enabling proactive, individualized patient management

\$4.2B

Deal Value

Commercial

Deal Stage

Transaction Structure & Overview

- BD acquires Edwards Lifesciences critical care division in an all-cash transaction with \$1B of cash and \$3.2B of new debt; expected to be immediately accretive
- Acquisition positions BD as a market leader within advanced monitoring technology expanding its robust innovation pipeline

Outcome Strategic Insights

“ Fluid management in critically ill patients remains a significant clinical challenge. The complexity of the biological processes involved, and of the patient data generated, requires considerable caregiver skill and vigilance to ensure treatment success. BD's pending acquisition of Edwards Lifescience's Critical Care division therefore appears to signify a win for patients and clinicians as well as the companies themselves. Edwards will shed an attractive but slower growing business to finally become a pure-play in the fast-moving structural heart segment. For BD, the acquisition of Critical Care will be immediately accretive to both revenue growth and margin. With increased focus from the new owner, Critical Care is likely to accelerate the development of AI-based software that helps clinicians interpret and act upon the massive amount of data generated in a modern operating room or intensive care unit. Most exciting is the potential to take clinical decision support even further, integrating the combined entity's medication delivery and monitoring technologies to create semi-automated fluid-management and drug-delivery systems for critically ill patients.



” **Peter Meyer, PhD**
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Highlighted MedTech Transaction

SILKROAD
MEDICAL®

Target

**Boston
Scientific**

Buyer

Date: 6/18/2024

Type: M&A

Target Description: Developer of medical devices for the treatment of carotid artery disease known as transcatheter arterial revascularization (TCAR)

\$1.16B

Deal Value

Commercial

Deal Stage

Transaction Structure & Overview

- Boston Scientific acquires SilkRoad Medical for \$27.50 per share
- The per share price represents an approximate 38% premium to the volume-weighted average price of Silk Road Medical's common stock over the preceding 60 days

Outcome Strategic Insights

“ Carotid artery disease is the cause of one-third of all strokes and is treated with a combination of medical therapy management, placement of a stent, or surgery to reduce the risk of stroke. The TCAR procedure involves accessing the carotid artery through a small incision in the neck and temporarily reversing blood flow away from the brain to prevent plaque from dislodging and causing a stroke. A stent is then placed at the site of the blockage for long-term plaque stabilization and future stroke prevention. The TCAR platform is a differentiated technology, which was cleared by the U.S. FDA in 2015 and is supported by several clinical studies demonstrating a reduced risk of stroke and other complications associated with traditional open surgery. TCAR has been demonstrated to reduce time of the intervention and the associated operating room costs, helping hospitals better manage their resources. The products sold by Silk Road Medical are the only devices commercially available for use during the TCAR procedure and are supported by Real World Evidence from approximately 45 thousand patients. This technology is a good fit for Boston Scientific due to the complementarity to Arterial Products within the Vascular Interventions segment. This Segment has experienced an 11% YOY growth, however, most of the recent advances associated with the interventional Oncology offerings. Silk Road Medical has guided to net revenue of approximately \$194-198 million in 2024, representing 10-12% growth over the prior fiscal year, consistent with the growth of the Boston Scientific Interventional Segment Portfolio. These additional sales will make Peripheral Intervention, the largest segment within the Cardiology portfolio of Boston Scientific, surpassing the Interventional Cardiology Therapies. The impact to Boston Scientific adjusted earnings per share is expected to be immaterial in 2024 and 2025, and accretive thereafter.



“ **Stanislav Glezer, MD, MBA**
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Highlighted Precision Medicine Transaction

TEMPUS

Target

Date: 6/14/2024

Type: IPO

Target Description: Tempus AI has developed a platform, combining healthcare & diagnostic data with their generative AI platform to improve laboratory tests & enable precision medicine.

\$411M

Deal Value

Transaction Structure & Overview

- 11.1M Class A common shares issued at \$37.00 per share
- IPO pricing implies valuation of \$6.1B, down from its 2022 \$10B series G valuation
- Company listed on NASDAQ (Ticker: TEM) trading at \$36.60 as of 7/15

Outcome Strategic Insights

“ Summer sun has finally shined on an IPO in the diagnostics market. Tempus AI successfully raised \$410.7M with their IPO this month. Having developed an extremely successful business and raising ~\$1.4B through 7 rounds of equity financing, and growing revenue for the past 4 years, Tempus was able to enter the market with a valuation of \$6.1B. However, with ~\$1.5B in debt and expansion into newer areas (i.e., cardiology, neuropsychology & radiology) Tempus will need continued access to the public markets. It will be years before Tempus is profitable, and we have seen other companies struggle to keep the market interested in supporting long-term innovation without receiving shareholder value. Tempus AI has the potential to succeed where others have failed, but for now the sun is still shining.



” **Craig Steger**
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June 2024 | Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
6/3/2024	Edwards		Provider of hemodynamic monitoring platform with first-of-its-kind predictive decision support software	M&A	\$4,150	\$4,150	MedTech
6/5/2024	OSTEAL THERAPEUTICS®	Johnson & Johnson INNOVATION - JDC - HM Venture Partners GIDEON STRATEGIC PARTNERS ZIMMER BIOMET	Developer of musculoskeletal infection therapeutics designed to reduce mortality, morbidity and cost of care	Financing	\$50	N/A	Biotech/Pharma
6/6/2024	ASENSUS SURGICAL	STORZ KARL STORZ - ENDOSKOPE	Medical device company focused on improving minimally invasive surgery through digital laparoscopy	M&A	\$108	\$108	MedTech
6/6/2024	elsie BIOTECHNOLOGIES		Developer of oligonucleotide therapeutic technologies for tackling problems in human disease	M&A	\$50	Undisclosed	Biotech/Pharma
6/7/2024	rapport therapeutics	Company IPO	Clinical stage biopharma company developing transformational small-molecule medicines for CNS disorders	IPO	\$136	N/A	Biotech/Pharma
6/9/2024	AMBER THERAPEUTICS	OXFORD SCIENCE ENTERPRISES F/PRIME NEA LIGHTSTONE VENTURES 8VC INTUITIVE Ventures	Developer of bioelectronic platform designed to generate novel, closed-loop bioelectrical therapies	Financing	\$100	N/A	Biotech/Pharma

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools

Services

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6/11/2024	Moleculent	ARCH VENTURE PARTNERS Eir Ventures	Developer of tech-enabled products utilizing new insights into molecular foundations of human biology	Financing	\$26	N/A	Biotech/Pharma
6/14/2024	TEMPUS	Company IPO	Developer of generative AI platform, utilizing healthcare data to improve laboratory tests	IPO	\$410	N/A	Diagnostics
6/17/2024	Hopscotch Primary Care	8VC aMCON ACCELERATING CURE	Data-driven healthcare startup focused on transforming healthcare in rural communities	Financing	\$45	N/A	HealthTech
6/18/2024	SILKROAD MEDICAL	Boston Scientific	Medical Device company focused on treatment of transcatheter artery revascularization (TCAR)	M&A	\$1,260	\$1,260	MedTech
6/18/2024	Belharra THERAPEUTICS	sanofi	Chemoproteomics company transforming non-covalent small molecule drug discovery	Partnership	\$740	\$40	Biotech/Pharma
6/18/2024	ascidian	Roche	Developer of RNA exon editing platform designed to advance possibilities of RNA medicine	Partnership	\$1,840	\$42	Biotech/Pharma

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

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6/21/2024	sharecare	ALTARIS	Developer of digital healthcare platform to provide a single destination for patients' components of health	M&A	\$540	Undisclosed	HealthTech
6/24/2024	Endogenex™	HATTERAS VENTURE PARTNERS, Longitude CAPITAL, LUMIRA VENTURES, SANTÉ, ORLANDO HEALTH Strategic Innovations, MAYO CLINIC, INTUITIVE Ventures	Developer of novel endoscopic procedure designed to treat diabetes	Financing	\$88	N/A	MedTech
6/25/2024	adonis	GENERAL CATALYST, BLING CAPITAL, kin ventures, POINT72 VENTURES, MAX VENTURES	Developer of healthcare revenue intelligence and automation platform to optimize providers' financial success	Financing	\$31	N/A	HealthTech
6/26/2024	Formation Bio	ANDREESSEN HOROWITZ, THRIVE CAPITAL SVAngel, fvp, Emerson Collective, Lachy Groom, sanofi SEQUOIA	Tech-driven pharmaceutical company focused on the application of AI in drug development	Financing	\$372	N/A	Biotech/Pharma
6/27/2024	celsius	abbvie	Clinical stage biotech company developing medicines for cancer and autoimmunity diseases	M&A	\$250	\$250	Biotech/Pharma
6/30/2024	Radionetics Oncology	Lilly	Clinical stage company developing radiopharmaceuticals for treatment of various oncology indications	Partnership	\$1,140	\$140	Biotech/Pharma

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools

Services



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