



Outcome Capital: Quarterly Market Segment Report
Life Science Tools & Diagnostics Segment Overview | Q2 2024

Reach the *Right Outcome*



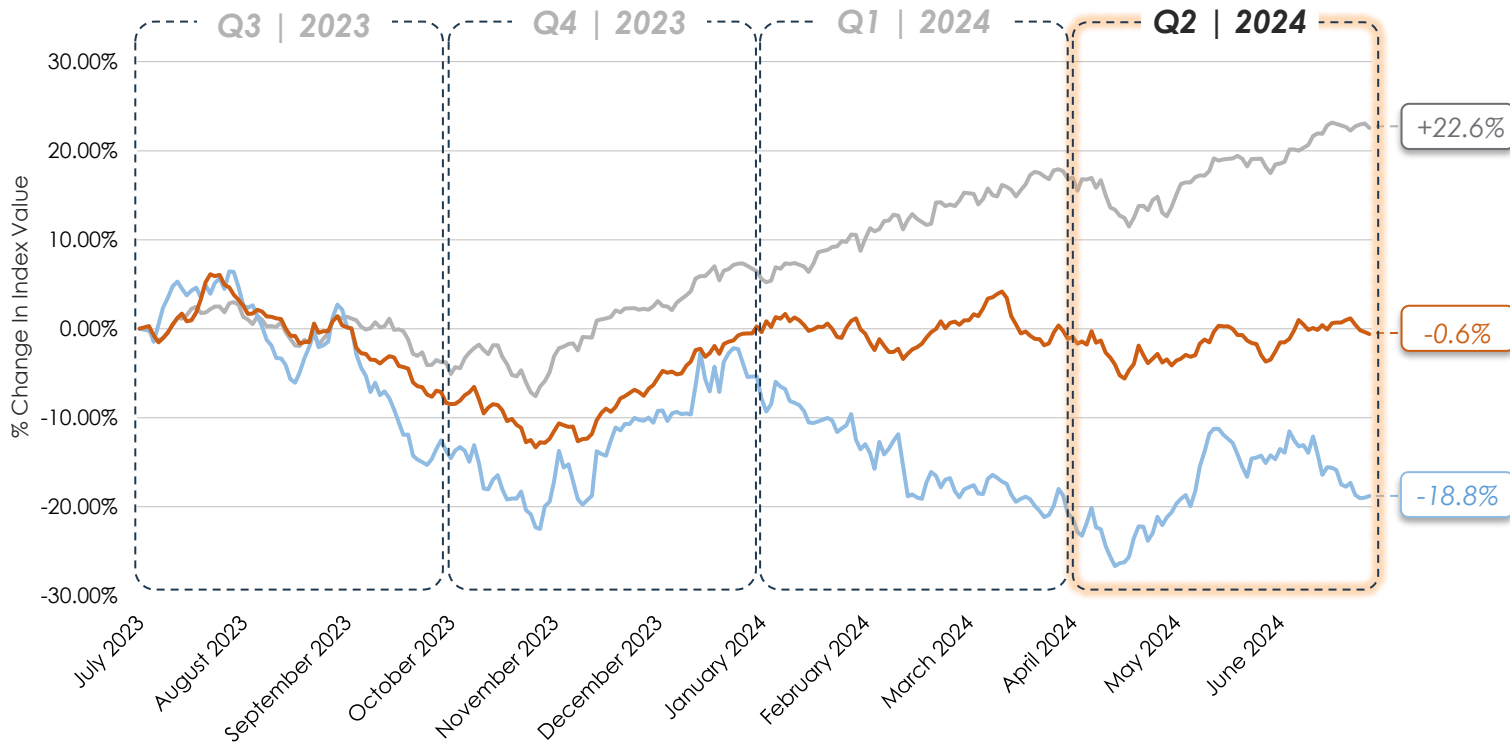
LIFE SCIENCE TOOLS & DIAGNOSTICS INDEX MARKET PERFORMANCE



Trailing-Twelve-Months (TTM) Review

Key Insights

- S&P500 continues rally as investors shrug off mixed economic data; anticipate lower inflation, earnings growth acceleration and interest rate cuts
- <\$10B index showing signs of a rebound in Q2 from early-quarter lows; larger market cap. Dx index continuing horizontal trend
- Within the >\$10B index, Natera led the way with a 16.93% quarterly gain, while Eurofins saw a sharp decline of -23.01%



S&P500 —
 <\$10B Diagnostics —
 >\$10B Diagnostics —

<\$10B Diagnostics Index

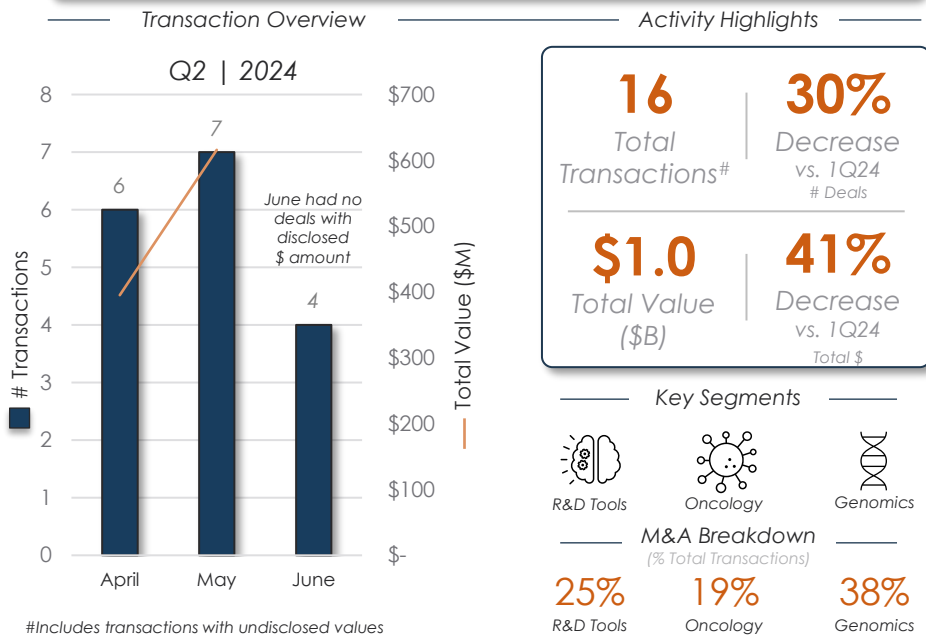
>\$10B Diagnostics Index

LIFE SCIENCE TOOLS & DIAGNOSTICS TRANSACTIONAL ACTIVITY

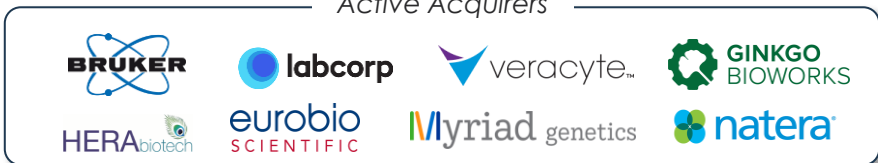


M&A Activity | Q2 2024

M&A Transactions Overview



Active Acquirers



Select M&A Transactions

TARGET	BUYER	DEAL SIZE	DESCRIPTION
		\$393M	4/17/24 – Focused on developing life science tools & solutions for translational research & molecular diagnostics
		Undisclosed	4/26/24 – Offers advanced software development & cytometry analysis to support single-cell flow analysis
Select Assets Of 		Undisclosed	5/1/24 – Developer of AI-powered technology to support biomarker discovery & drug development
		\$10M	5/7/24 – Helps identify breast cancer surgical & treatment options for patients based on unique genetic details
		\$600M	5/22/24 – Develops & manufactures transfection reagents, electroporation solutions & related products for life science research

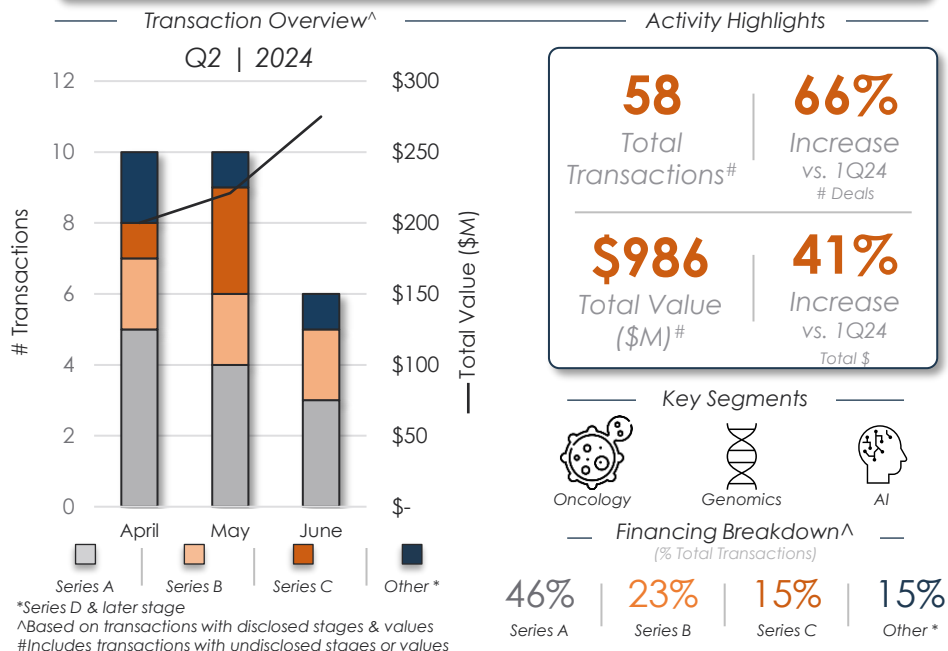
* Note: Deals volumes based on transactions between 4/1/24 – 6/31/24

LIFE SCIENCE TOOLS & DIAGNOSTICS TRANSACTIONAL ACTIVITY



Financing Activity | Q2 2024

Financing Transactions Overview



Key Participation



Select Financing Transactions

TARGET	LEAD	DEAL SIZE	DESCRIPTION
SeluxDX	RACAPITAL, SANDS CAPITAL, SCHOONER CAPITAL, Confluence, Northpond Ventures	\$48M	4/1/24 – Developer of solutions to accelerate the selection of personalized antimicrobial therapy for all infectious disease patients
binx	EQT Life Sciences, HILDRED CAPITAL PARTNERS, LLC	\$65M	4/5/24 – Developer of a point-of-care genetic testing platform for sexually transmitted infections.
KARIUS TEST	5AM VENTURES, khosla ventures, GENERAL CATALYST, SoftBank	\$100M	5/2/24 – Developed an infectious disease diagnostic test that utilizes genomic analysis & AI to detect pathogens
DELFI	GLOBAL HEALTH INNOVATION	\$100M	6/4/24 – Offers cancer detection solutions that apply AI to whole-genome sequencing data for cancer detection
BillionToOne	Adams Street, Hummingbird, 50	\$100M	6/21/24 – Developer of a molecular counting platform can accurately count DNA molecules at the single-count level to help improve disease detection.

* Note: Deals volumes & capital deployed based on transactions between 4/1/24 – 6/31/24

Outcome Leadership Insights & Takeaways

Life Science Tools & Diagnostic Segment Insights



Shifting preferences in capital allocation

- 41% decrease in reported M&A value compared to Q1 2024
- 41% increase in reported financing value compared to Q1 2024



Continued funding of cancer diagnostics

- Liquid biopsy, next generation sequencing, and new early cancer detection assays are set to change treatment paradigms and improve clinical outcomes for patients



Late-stage VC investments in infectious disease diagnostics

- **Karius** raised \$100M Series C to grow their genomic testing for trace microbial DNA in blood
- **SeLux Dx** raised \$40M for antibiotic susceptibility testing
- **Binx** raised \$65M Series F continued expansion for point-of-care testing of sexually-transmitted diseases

Outcome Insights

“Q2 has seen a bounce back in life science tools and diagnostic investing. We have seen average investments increase by ~39% when comparing Q2 '23 vs. Q2 '24, with the total of \$1.2 B invested across these sectors. Both a pullback in company valuations and the amount of capital ready to be deployed at key life science VC firms has played a part in this increased activity. Interestingly, we still see ventures focusing on precision medicine companies, with 5 groups raising >\$100M in the space. Outcome is watching the proteomic tools space, as new emerging technologies are gaining traction in the market and capturing the attention of the venture community.”



 **Craig Steger**
Managing Director
Outcome Capital, LLC

LIFE SCIENCE TOOLS & DIAGNOSTICS TRANSACTION TRENDS

Outcome Leadership Insights & Takeaways

Life Science Tools & Diagnostic Transaction Value Drivers



Company valuations have been re-set, allowing for investors to put money to work across the segments



Several large life science focused firms have closed new funds & are actively seeking investments



Cell & Gene Therapy tools are a key area of focus, enabling technologies for full value realization & manufacturing capabilities



AI-based technologies are positively impacting the industry & are gaining increased attention following sustained optimism around the technology

Highlighted Diagnostic Transaction: Q2 | 2024

mirus bio®

Target

MILLIPORE
SIGMA

Buyer

Date: May 2024

Type: M&A

\$600M

Deal Value

Commercial

Deal Stage

Target Description:

A research stage company that specializes in cellular transfection and electroporation reagents that enable research applications including genome editing and gene silencing

Transaction Insights

- Sigma-Aldrich expands its transfection reagent portfolio by acquiring a world leading company
- Strategic acquisition to be a leader in viral vector manufacturing to drive gene therapy applications
- Addition of Mirus Bio's CHOgro® transfection system for the production of recombinant proteins and monoclonal antibodies (mAb)

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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