



Outcome Capital Life Sciences Market Pulse

July 2024

Reach the Right Outcome



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OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

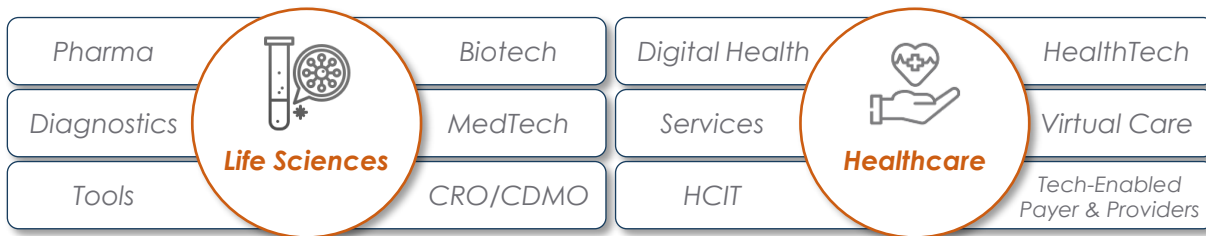


Market Trends & Strategic Transactional Insights

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

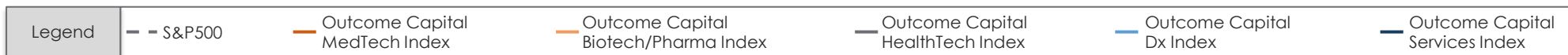
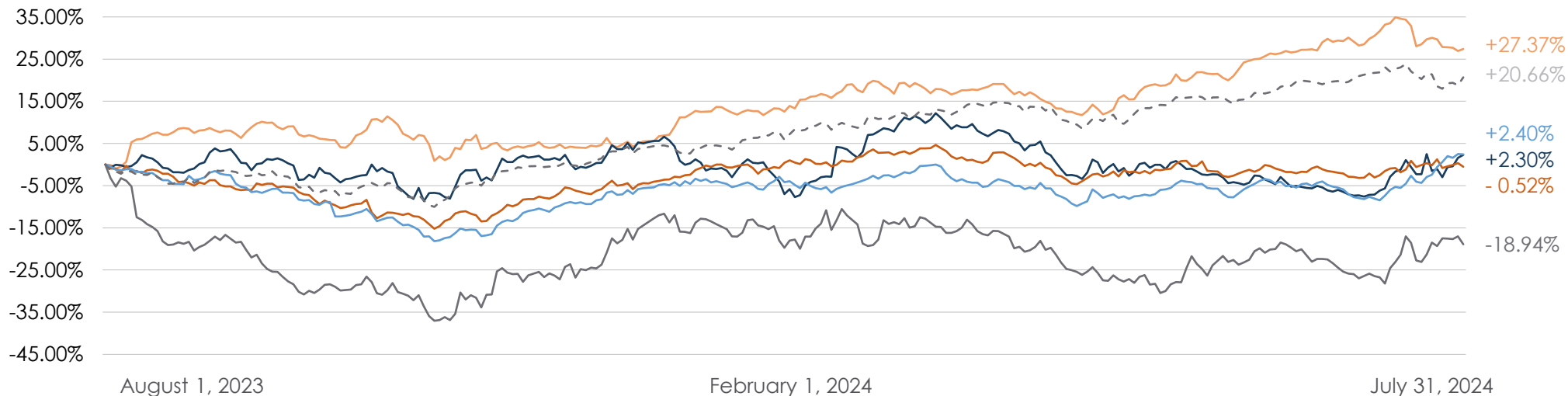
- › Strategic analysis & transaction takeaways from Outcome Capital's life sciences-dedicated deal team

Notable Transactions Lineup

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

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July 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 Biotech/Pharma Partnership



Target



Investors

Date: 7/25/2024

Type: **Financing**

\$165M

Deal Value

Pre-Clinical

Deal Stage

Target Description: Biotechnology company focused on the development of multifunctional antibodies optimized for T cell engagement across solid tumors, inflammatory and immunology diseases

Transaction Structure & Overview

- Oversubscribed Series A round led by Vida Ventures; co-led by Cormorant Asset Management and Hillhouse Investment
- Financing will be used to advance the company's drug development programs through clinical studies for oncology and autoimmune diseases; multiple INDs planned for 2025

Outcome Strategic Insights

“The biotech industry often functions as the R&D arm for large pharma, which in turn, functions as the commercialization arm for biotech. As the end marketer of many new therapies, large pharma has established in-house business development groups and venture arms to more efficiently facilitate upstream interactions. Some of the larger players in the venture space are also evolving from the opposite end of the spectrum to further integrate their activities. In July, Flagship Pioneering entered into a broad partnership with GSK worth up to \$7B in biobucks milestone payments. This follows a similar structure as the Flagship partnership with Pfizer. In each case, Flagship received >\$100M in upfront cash to fund the development of multiple programs. GSK and Pfizer each have the option to license up to 10 programs within the scope of their respective partnership. It is efficient for investors to confirm strategic interest in what they are working on and to have defined milestones that are aligned with that interest. A large pool of capital and multiple comprehensive partnerships help to derisk the venture model while amplifying optionality. For the largest firms in the venture space, the business model is starting to look more and more like a biotech pipeline of therapeutics with a pharma-like balance sheet of cash to fund it. ”



Paul Mieyal, PhD

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Highlighted Biotech/Pharma Financing



Target



Investors

Date: 7/3/2024

Type: Financing

Target Description: GRO platform creates novel proteins with an expanded alphabet of non-standard amino acids (NSAAs), providing opportunity for creating novel therapeutic modalities.

\$60M

Deal Value

Pre-Clinical

Deal Stage

Transaction Structure & Overview

- Series B financing round from new investors bringing total capital raised to \$90M since inception
- Proceeds will be used to support continued NSAA technology & initiate clinical trials for gout treatment

Outcome Strategic Insights

“GRO Biosciences, is based on research from Harvard geneticist George Church's lab, which created bacteria that can make proteins from 21 different amino acid building blocks instead of the standard 20 found in humans. The genomically recoded organisms (GROs) can create proteins that contain non-standard amino-acids. Such proteins should be capable of exhibiting similar therapeutic properties to native analogues, but have different mitogenic properties, thereby potentially improving the safety and efficacy profile of the molecule. The initial target of GRObio is uricase, which is a product currently marketed by Amgen for treatment of gout, where the modified version of the enzyme may allow to prevent the decline in efficacy over time. While the approach of GRObio is biologically plausible and promising, this transaction is intriguing, given the amount invested in the preclinical stage company. The \$60M raised is expected to support the Phase I work, but clearly exceeds the costs of typical Phase I studies, indicating that either the company is raising funds for the subsequent stages as well, or the proceeds will cover manufacturing or pipeline expansion activities. Another interesting aspect is the risk management. Obviously, the earlier the asset in terms of development stage and the higher the amount of capital required, the higher the risk. Here we see two companies leading the fundraising efforts, indicating the challenge with this undertaking, and bringing several other investors onboard, thereby sharing the risk between multiple parties. Overall, it is encouraging to see significant backing of the early-stage biotech, which is driven by a potentially disruptive technology”



Stanislav Glezer, MD, MBA
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Highlighted MedTech M&A



ENDOTRONIX
Target



Edwards
Investors

Date: 7/3/2024

Type: Partnership

Target Description: : Clinical-stage developer of pulmonary artery pressure sensor designed for the detection & treatment of structural heart failure

\$675M

Deal Value

Clinical

Deal Stage

Transaction Structure & Overview

- Bought simultaneously with Jenavalve, a transcatheter valve device for a total transaction value of \$1.2B
- One of three cardiovascular acquisitions by Edwards in July 2024, following the company's announcement of continued interest in structural heart failure

Outcome Strategic Insights

“ Proving once again that strategic investment can yield lucrative downstream fruits, Edwards exercised a long-held call option on Endotronix after divesting their critical care business only a month prior. Interestingly, amidst an M&A environment hyper focused on EPS dilution, Edwards is putting \$1.2B to work on two assets (JenaValve & Endotronix) that are expected to deliver minimal revenue contributions for FY25. Look for others in the structural heart market to make similarly shrewd moves quickly. ”



Thom Busby, MBA
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Highlighted Biotech/Pharma Partnership



Target



Investors

Date: 7/3/2024

Type: Partnership

Target Description: : Publicly traded (NAS:CVAC) company developing mRNA-based vaccines and therapeutics for infectious disease & oncology indications

\$1,556M

Deal Value

Clinical

Deal Stage

Transaction Structure & Overview

- Total consideration structured as a \$440M upfront cash consideration with \$1.1B contingent upon future milestones
- Contingent consideration comprised of product development, regulatory, & sales milestones
- GSK acquires global, exclusive rights to develop, manufacture, & commercialize included mRNA vaccines

Outcome Strategic Insights

“With a new coronavirus variant making waves throughout the US and a fresh Flu season set to kick off in under two months, it is pertinent to highlight a major transaction involving an industry leader in the vaccine space. GSK seeks to keep its place at the top of the market by ensuring access to CureVac's next generation mRNA platform technology and vaccine candidates for both COVID and Flu with the restructuring of its existing collaboration into a licensing agreement. The technology and assets at the center of this transaction represent potential best-in-class vaccines leveraging CureVac's proprietary technology that aims to overcome the biggest challenges to mRNA therapeutics: drug stability and deliverability. For access, GSK is paying CureVac \$440M in upfront cash with another \$1B+ unlocked after various development, commercial, and regulatory milestones. As part of the original partnership inked in July 2020, GSK purchased a 10% equity stake in CureVac for ~\$160M alongside a \$130M upfront cash payment to fuel the next generation mRNA development. Interestingly, the original agreement included monoclonal antibody targets, which were not taken forward in the new transaction structure highlighting GSK's focus and belief in the potential for mRNA-based vaccines. We've seen many casualties resulting from deals struck during the COVID era, but the agreement between these two companies highlights the power and adaptability that RNA-based technologies can have when true synergies are realized.”



Michael Casasanta, PhD
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Highlighted Biotech/Pharma Financing

ThirdArcBio

Target



Investors

Date: 7/25/2024

Type: Financing

\$165M

Deal Value

Pre-Clinical

Deal Stage

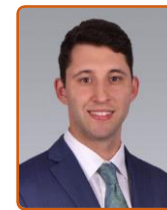
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Transaction Structure & Overview

- Oversubscribed Series A round led by Vida Ventures; co-led by Cormorant Asset Management and Hillhouse Investment
- Financing will be used to advance the company's drug development programs through clinical studies for oncology and autoimmune diseases; multiple INDs planned for 2025

Outcome Strategic Insights

“ On the heels of an interesting 2H 2024, July has contributed to the unmistakable trend emerging within biopharma venture capital financing. Over the past 18 months we have seen an influx of total capital raised, and investors, eager to deploy capital into promising technologies, are actively shifting their theses, seeking early-stage, early round opportunities. Looking back to 1H 2023, and comparing to what we've witnessed year-to-date, a dramatic rectification in the percentage breakdown around the preferences of when, and which, companies are successfully closing rounds is evident. Since January 2021, nearly a 125% increase in Series A financing has been observed, with most of the funds moving into pre-clinical (55%) and Phase 1 (28%) assets or pipelines. Third Arc Bio, developer of multifunctional antibodies optimized for T cell engagement across select oncology and autoimmunity indications, is the latest beneficiary. With its oversubscribed Series A financing, Third Arc is poised to accelerate development of preclinical assets targeting significant unmet needs in solid tumor, inflammatory, and infectious diseases into the clinic. Led by industry veterans Peter F. Lebowitz, MD, PhD, Sanjaya Singh, PhD, and Joe Erhardt, PhD, Third Arc plans to maintain a steadfast pursuit of drug approval – one that has, in the past brought 19 drugs to market for its management team. Built on a backbone of engineered T cells, the company is on track to submit multiple INDs in 2025 and is poised to improve upon the efficacy, safety, and applications for T cell biology and the associated applications of this modality. It will be interesting to see how the competitive therapeutic landscape shifts as these assets continue to progress. ”



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July 2024 | Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
7/1/2024	EndoGastric Solutions.	MERRIT MEDICAL	Developer of a minimally-invasive device designed for the treatment of gastroesophageal reflux disease	M&A	\$105	Undisclosed	MedTech
7/3/2024	LUREVAC the RNA people®	GSK	Developer of mRNA vaccine candidates for the seasonal flu, COVID-19 & avian influenza	Partnership	\$1,170	\$447	Biotech/ Pharma
7/8/2024	MORPHIC THERAPEUTIC	Lilly	Preclinical small-molecule integrin therapeutics for the treatment of serious chronic diseases	M&A	\$3,200	Undisclosed	Biotech/ Pharma
7/8/2024	MyricxBio	ABINGWORTH BRITISH PATIENT CAPITAL BRANDON Lilly CANCER RESEARCH HORIZONS NOVO HOLDINGS SOFINOVA	Focused on developing novel class of payloads for ADC's based on inhibitors of NMT for the treatment of cancer	Financing	\$114	N/A	Biotech/ Pharma
7/8/2024	APEIRON BIOLOGICS	LIGAND PHARMACEUTICALS	Biotech company developing QARZIBA®, a high-risk neuroblastoma drug	M&A	\$100	\$100	Biotech/ Pharma
7/9/2024	NOWDiagnostics	DigitalDx KMPASS CAPITAL LabCorp	Developer of over-the-counter & point-of-care COVID-19 & hCG blood tests	Financing	\$23	N/A	Diagnostics

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools

Services

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7/10/2024	Adona Medical	Excelestar Ventures, AMED, TCP, Cormorant Asset Management	Pre-clinical developer of interatrial shunts designed to treat patients with advanced heart failure	Financing	\$34	N/A	MedTech
7/11/2024	Foreseen Biotechnology	IPSEN Innovation for patient care	Developer of high-throughput integrated translational proteomics platform based on AI data analytics	Partnership	\$1,030	Undisclosed	Biotech/ Pharma
7/12/2024	Headway	Accel, andressen norowitz, SPARK CAPITAL, FORERUNNER, THRIVE CAPITAL	HealthTech platform designed to connect patients to in-network mental healthcare providers nearby	Financing	\$100	N/A	HealthTech
7/16/2024	ThirdArcBio	Janus Henderson, Hillhouse Capital, Freepoint Capital Group, LOGOS CAPITAL, T.RowePrice, Asset Management	Clinical-stage developer of multifunctional antibodies designed to treat autoimmunity	Financing	\$165	N/A	Biotech/ Pharma
7/19/2024	GRO Biosciences	ACCESS BIOTECHNOLOGY, leaps, ATLAS, Redmile Group, DIGITALIS VENTURES, innovation endeavors, PAGE ONE VENTURES	NSAA platform providing opportunity for creating novel therapeutic modalities	Financing	\$60	N/A	Biotech/ Pharma
7/23/2024	Magenta Medical	alive, Viking, JVC, novo holdings, NEA, RACAPITAL, orbimed	Developer of miniaturized blood pumps designed to support heart during acute episodes of dysfunction	Financing	\$105	N/A	MedTech

[Hyperlinked to Press Release](#)

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Biotech/Pharma

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7/24/2024	ENDOTRONIX	Edwards Lifesciences	Developer of proactive heart management tools designed to detect cardiac failure	M&A	\$675	Undisclosed	MedTech
7/24/2024	dren bio	NOVARTIS	Clinical-stage biopharma company pioneering antibody therapeutics for chronic conditions	Partnership	\$3,000	\$150	Biotech/ Pharma
7/25/2024	medlab	LOGIQ	Advanced biotech company with a unique approach to the development of cell-based therapy products	M&A	\$100	Undisclosed	Biotech/ Pharma
7/25/2024	IPSEN Innovation for patient care	Day One BIOPHARMACEUTICALS	Clinical-stage company focused on therapeutic development in pediatric cancer	Partnership	\$461	\$111	Biotech/ Pharma
7/29/2024	NERIO THERAPEUTICS	Boehringer Ingelheim	Drug discovery & development company focused on phosphatases to enhance immune function	M&A	\$1,300	Undisclosed	Biotech/ Pharma
7/29/2024	IRONSHORE	Collegium PHARMACEUTICAL	Biopharmaceutical company intended to empower phosphatase drug discovery for immunotherapy	M&A	\$525	\$525	Biotech/ Pharma

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MedTech

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