



Outcome Capital: Quarterly Market Segment Report

Biopharma Segment Overview | Q2 2024

Reach the *Right Outcome*

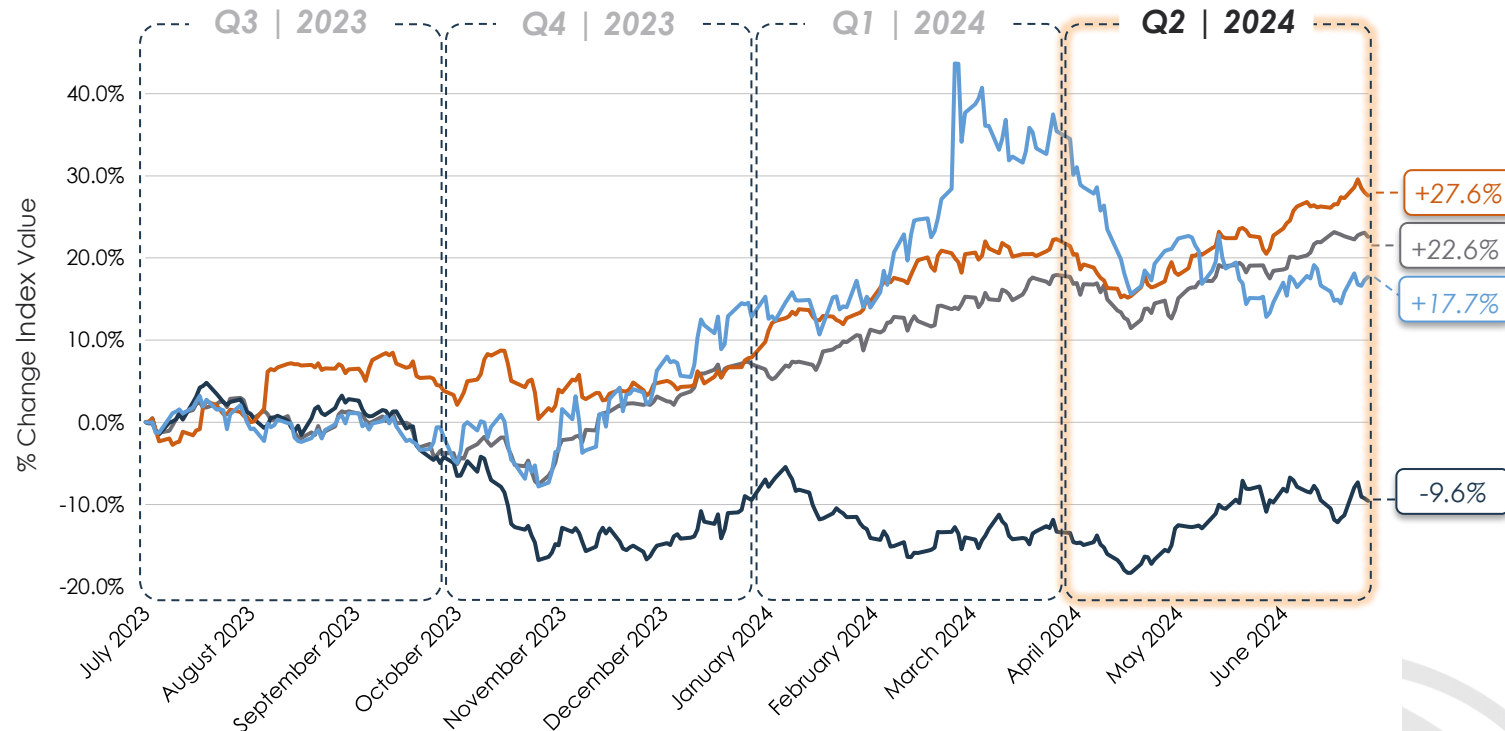


BIOPHARMA INDEX MARKET PERFORMANCES

Trailing-Twelve-Months (TTM) Review

Key Insights

- >\$50B Biopharma index outperforms S&P500 with strong growth driven by continued obesity & weight loss drugs success
- <\$10B Biopharma index sharp decline mainly driven by Viking Therapeutics stock momentum slump after initial hype from weight loss treatment & Jazz Pharmaceuticals recent miss of Phase II clinical trial endpoints
- \$10B-\$50B Biopharma index performance continues to drag behind in Q2 2024



Legend for Index Performance:

- S&P500 — (Grey line)
- <\$10B Biopharma — (Blue line)
- \$10-\$50B Biopharma — (Black line)
- >\$50B Biopharma — (Orange line)

<\$10B Biopharma Index

\$10B-\$50B Biopharma Index

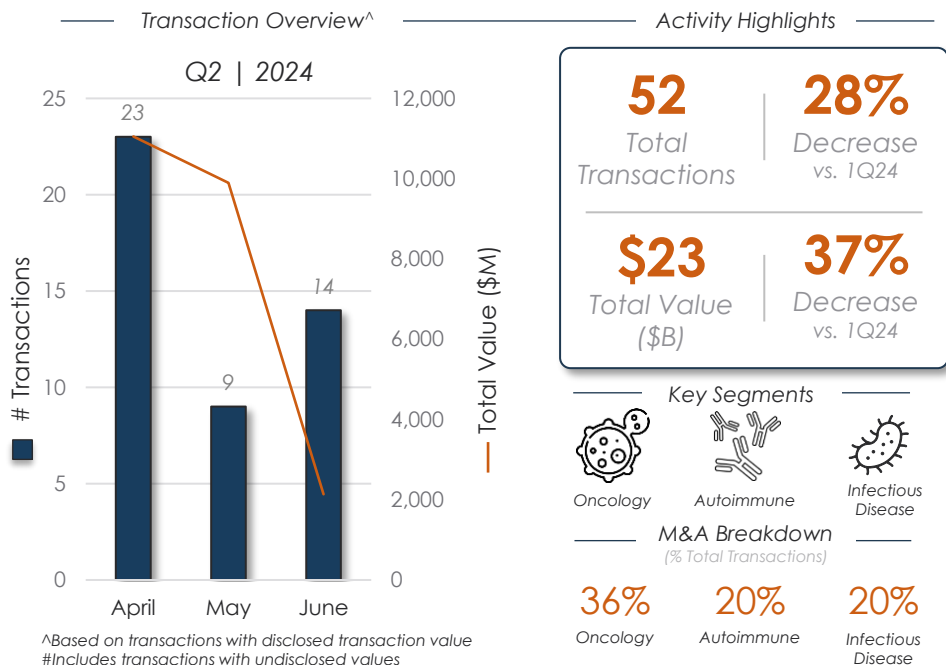
>\$50B Biopharma Index

BIOPHARMA TRANSACTIONAL ACTIVITY

M&A Activity | Q2 2024



M&A Transactions Overview



Active Acquirers



Select M&A Transactions

TARGET	BUYER	DEAL SIZE	DESCRIPTION
celsus	abbvie	\$250M	6/27/24 – Biotechnology company developing an antibody for inflammatory bowel disease
EyeBio	MERCK	\$3.0B	5/29/24 – Clinical biotechnology company developing treatments for vision loss associated with retinal vascular leakage
ALPINE ImmuneSciences [®]	VERTEX	\$4.9B	4/10/24 – Late clinical-stage biotechnology company developing protein-based immunotherapies
HI-Bio	Biogen	\$1.8B	6/2/24 – Clinical-stage company focused on development of targeted therapies in severe immune-mediated diseases (IMDs)
PROTEOLOGIX	Johnson & Johnson	\$850M	6/21/24 – Preclinical-stage biotechnology company focused on bispecific antibodies for immune-mediated diseases

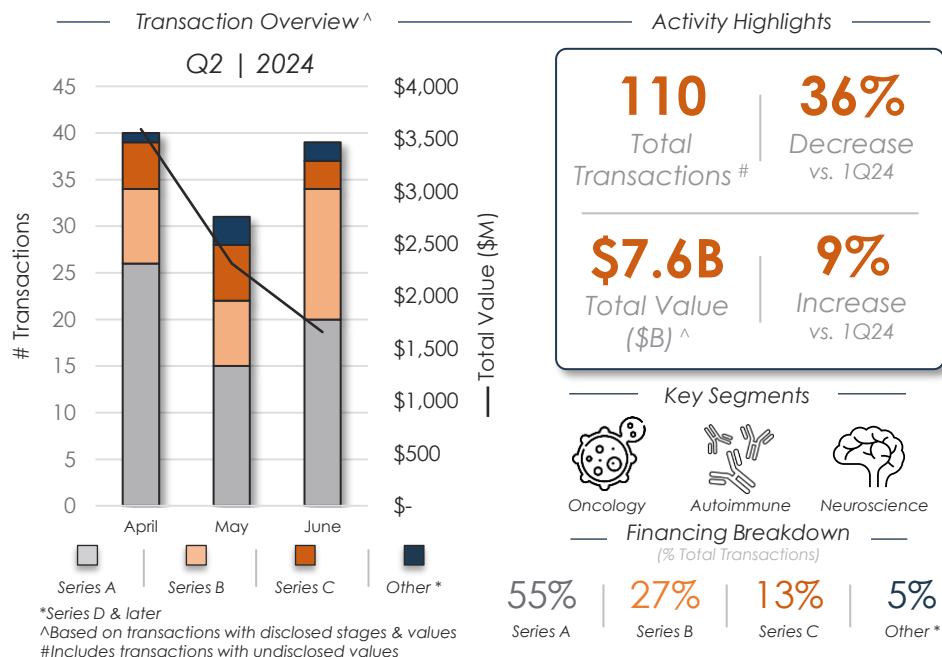
* Note: Deal volumes based on transactions between 4/1/24 – 6/30/24

BIOPHARMA TRANSACTIONAL ACTIVITY

Financing Activity | Q2 2024



Financing Transactions Overview



Key Participation



Select Financing Transactions

TARGET	BUYER	DEAL SIZE	DESCRIPTION
Metsera*	ARCH VENTURE PARTNERS, MUBADALA CAPITAL, F-PRIME, SoftBank, Newpath PARTNERS	\$350M	4/18/24 - Developing a suite of peptide & peptide-antibody conjugate drugs targeting weight loss & obesity
SEAPORT THERAPEUTICS	ARCH VENTURES PARTNERS, SOFINNOVA INVESTMENTS, PURETECH HEALTH, THIRD ROCK	\$100M	4/9/2024 - Biotechnology company developing neuropsychiatric drugs for depression and anxiety
bridgebio	AISLING CAPITAL, CORMORANT ASSET MANAGEMENT, CASDIN CAPITAL, DEERFIELD	\$200M	5/2/24 - Biopharma company developing medicines to treat patients who suffer from genetic diseases and cancers
sixpeaks BIO	AstraZeneca, VERSANT VENTURES	\$33M	5/22/24 - Developer of weight loss therapeutic platform to offer improved therapies for healthy weight loss
marea	xontogeny, SOFINNOVA INVESTMENTS, THIRD ROCK, venBio	\$160M	6/18/24 - Clinical-stage biotechnology company developing treatments for cardiometabolic diseases

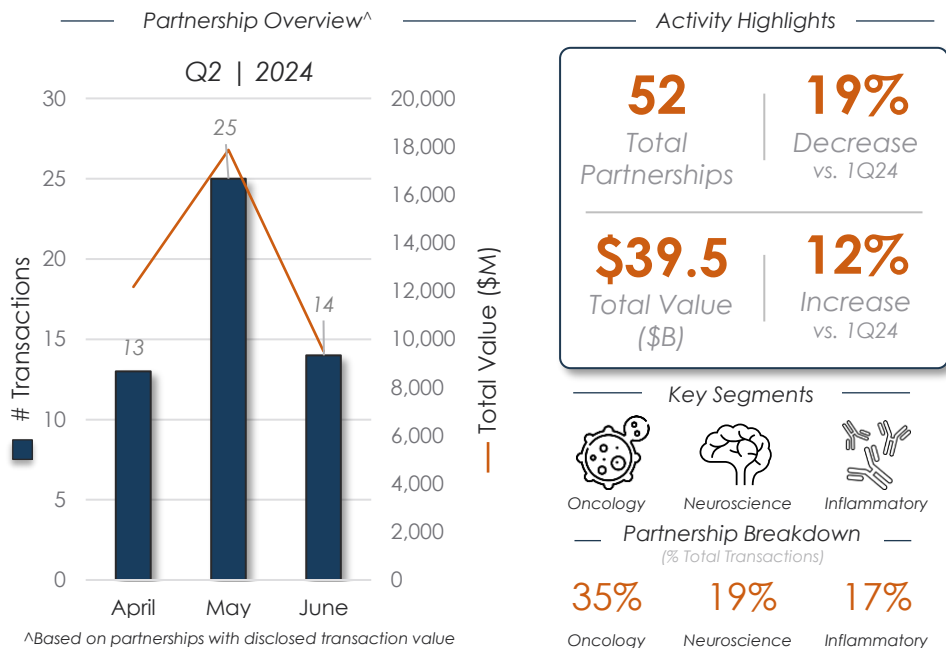
* Note: Deals volumes & capital deployed based on transactions between 4/1/24 - 6/30/24

BIOPHARMA TRANSACTIONAL ACTIVITY

Partnering Activity | Q2 2024



Partnership Transactions Overview



Key Participation



Select Partnership Transactions

TARGET	BUYER	DEAL SIZE	DESCRIPTION
		\$1.1B	7/1/24 – Clinical-stage company developing radiopharmaceuticals targeting solid tumors
		\$2.0B	5/13/24 – Neuroscience biotech that develops neuroplastogen therapies for psychiatric disorders
		\$1.1B	5/13/24 – Clinical-stage company focused on treating rare genetic diseases, including muscular dystrophy
		\$1.9B	4/29/24 – Platform-based biotechnology company that maps the immune system to develop T-cell targeted therapies
		\$1.2B	5/23/24 – Biotechnology company with molecular glue-based targeted protein degradation platform

* Note: Deals volumes & capital deployed based on transactions between 4/1/24 – 6/30/24

BIOPHARMA TRANSACTION TRENDS

Outcome Leadership Insights & Takeaways



Biotech/Pharma Transaction Insights

Continued Wave of Obesity & Weight Loss Drug Investments

With record revenues driven by Novo & Lilly's incretin drugs, VCs are investing early & heavily to capitalize on a rapidly developing market

- ✓ Multiple Q2 2024 early-stage financings demonstrates VCs continued appetite to fund companies developing obesity & weight loss therapeutics
- ✓ With a projected market worth more than \$125M, investors are looking to pursue the "second" generation of obesity medicines to supplant Mounjaro & Wegovy
- ✓ Despite promising initial data to incite VC investments, early-stage metabolic companies will be faced with the challenges of competing against Amgen, Roche, Boehringer Ingelheim, and AstraZeneca's promising candidates currently in clinical trials

Additional Q2 2024 Representative Transactions



Series A
\$350M



Series C
\$85M



Series A
\$33M

Highlighted Biotech/Pharma Investment: Q2 | 2024

Hercules

Target

Date: May 16, 2024

Type: **Seed**



Lead Investors

\$400M

Deal Value

Phase II

Deal Stage

Target Description: Incorporated in May 2024, Hercules CM NewCo. is a clinical-stage biotechnology company developing incretin treatments for diabetes, obesity, & weight loss

Transaction Insights

- Three leading drug candidates licensed from Hengrui in return for \$110M upfront and near-term payments as well as roughly 20% equity stake
- Hercules could owe an additional \$200M for additional milestones & up to \$5.7B if licensed drugs are approved
- With current investment, Bain holds a 39% stake, RTW holds over 19%, Atlas holds 9% & Lyra roughly 3%

BIOPHARMA TRANSACTION HIGHLIGHT

Outcome Leadership Insights & Takeaways



Highlighted Biotech/Pharma Investment: Q2 | 2024



Target



Buyer

Date: 04/05/2024

Type: Acquisition

\$208M

Deal Value

Pre-clinical

Deal Stage

Target Description: Startup preclinical-stage biopharmaceutical company that was spun out of the laboratory of University at Buffalo, focusing on development of antibody drug conjugates (ADCs).

Transaction Structure & Overview

- Merck acquired Abceutics for a potential consideration of up to \$208 million, including contingent milestone payments based upon the progress of candidates under the agreement.

Outcome Strategic Insights

"ADCs consist of a monoclonal antibody coupled to a cytotoxic payload via a linker. Abceutics engineered "payload-binding selectivity enhancers" (PBSEs) to bind and neutralize stray payload molecules, reducing the impact of these agents on otherwise healthy cells. The use of PBSEs offers a promise of reducing toxicity of ADC based cancer therapies. Abceutics acquisition follows Merck's multi-billion dollar deal with Daiichi Sankyo in 2023, marking its return to the ADC space. This deal is particularly interesting, as it highlights the openness of strategic investors to acquire early-stage assets based on the strategic fit with the R&D priorities. Merck already has a leadership position in oncology and has previously worked in the area of ADCs, however, with limited success. Abceutics technology seems to allow Merck overcome development challenges at formulation and clinical levels, hence, improving probability of success of future ADC programs. The value & structure of the deal emphasizes that although there is typically a high level of risk with investment in early stage assets, the acquisition is based on the lower valuation & milestones based payments, leading to limited risk of financial exposure in case of the development failure of the acquired technology. However, as the Abceutics technology proves to be a success, its positive impact is disproportionate to the amount paid for the acquisition, making this a low-risk high reward deal structure."



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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.

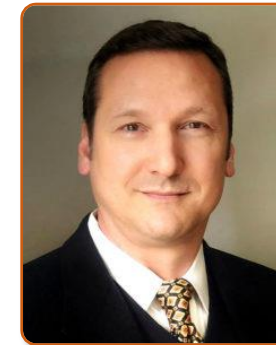
Please reach out to our team for further information.



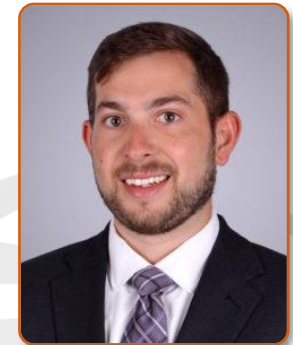
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