



Outcome Capital Life Sciences Market Pulse

August 2024

Reach the Right Outcome



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OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

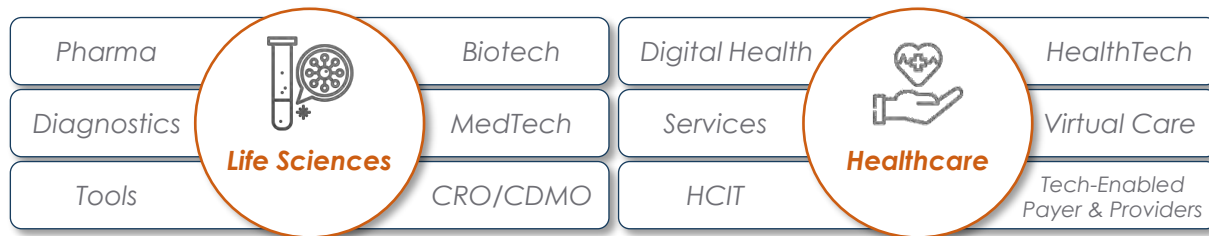


Market Trends & Strategic Transactional Insights

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

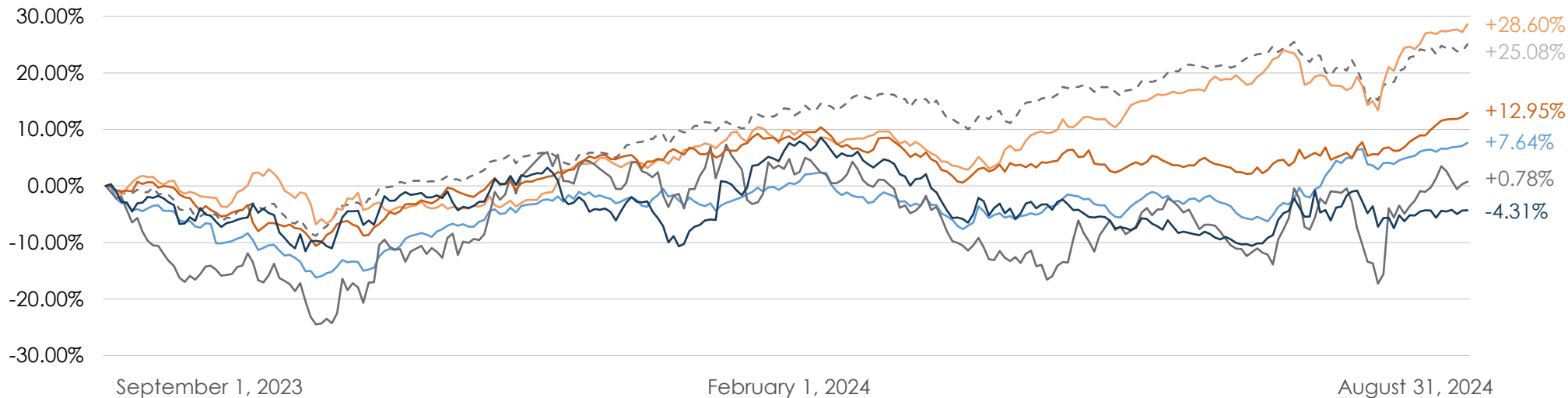
- › Strategic analysis & transaction takeaways from Outcome Capital's life sciences-dedicated deal team

Notable Transactions Lineup

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

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August 2024 | Outcome Capital Index Tracker (LTM)



Legend	-- S&P500	— Outcome Capital MedTech Index	— Outcome Capital Biotech/Pharma Index	— Outcome Capital HealthTech Index	— Outcome Capital Dx Index	— Outcome Capital Services Index
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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

Johnson & Johnson

Buyer

Date: 8/20/24

Type: M&A

Target Description: Developer of an implantable device designed to address the issues associated with heart failure

\$1,700M

Deal Value

Clinical

Deal Stage

Transaction Structure & Overview

- Total consideration structured as a \$600M upfront payment with \$1.1B contingent upon future milestones
- Johnson & Johnson expects the transaction to dilute adjusted earnings per share (EPS) by approximately \$0.24 in 2024 and approximately \$0.06 in 2025

Outcome Strategic Insights

“ J&J has announced its plan to acquire V-Wave, an Israeli medical device company specializing in heart failure, for an upfront payment of \$600 million and an additional backend payments of up to \$1.1 billion, contingent upon regulatory and commercial milestones. V-Wave's Ventura Interatrial Shunt System is a minimally invasive implantable device designed to treat patients with reduced ejection fraction (HFrEF). The device aims to reduce elevated left atrial pressure thereby decreasing cardiovascular events and hospitalizations. J&J has been strategically focusing on advancing its differentiated pipeline and expanding into high-growth areas, such as cardiovascular interventions, robotics, and digital health, aiming to maintain leadership in key medtech categories and address significant unmet medical needs. The acquisition of V-Wave aligns with J&J's broader strategy by enhancing its cardiovascular portfolio and expanding its presence in high-growth markets. This acquisition complements previous acquisitions like Abiomed and Laminar, which have bolstered J&J's capabilities in heart recovery and atrial appendage management, respectively, and solidified its position in the cardiovascular market, which is one of the fastest-growing segments globally. ”



Oded Ben-Joseph, PhD, MBA
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Highlighted BioPharma Transaction



Target



Buyer

Date: 8/12/24

Type: M&A

Target Description: Biotechnology company aimed at setting the new standard in healthcare with innovative aesthetic and therapeutic offerings

\$924M

Deal Value

Commercial

Deal Stage

Transaction Structure & Overview

- Crown acquired at a purchase price of \$6.66 per share, representing a 111% premium on its 60-day volume-weighted average share price
- Revance will be delisted from the Nasdaq & the newly formed entity will become a private company

Outcome Strategic Insights

“ Despite positive guidance for 2024, Revance's stock price had fallen by nearly 70% year-to-date, facing financial vulnerability and persistent market skepticism. The company was facing competitive threats in the Botulinum toxin space as well as ongoing litigation from Abbvie, accusing Revance of misappropriating trade secrets. With the merger to compete by year-end, Crown Laboratories aims to become a global aesthetics and skincare powerhouse. Imagine a company with a portfolio of 10+ cutting-edge skin health & aesthetic brands, reaching medical professionals, retail stores, and e-commerce channels. They'll be like Charlies Angels of skincare—saving faces and battling wrinkles! ”



Ellen Baron, PhD
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Highlighted Biopharma Partnership Transaction



Target



Buyer

Date: 8/28/2024

Type: Partnership

Target Description: Biotechnology company focused on developing transformative medicines to address long non-coding RNA (lncRNA)-driven diseases

\$547M

Deal Value

Pre-Clinical

Deal Stage

Transaction Structure & Overview

- \$547M total consideration including upfront & near-term milestone payments
- Product development collaboration on two first-in-class small molecule programs targeting lncRNAs

Outcome Strategic Insights

“ NextRNA's therapeutic approach centers on inhibiting the function of lncRNAs by disrupting the interaction between lncRNAs and RNA-binding proteins (RBPs) with small molecules, by interacting with either of these targets. Under the agreement, one program has already identified small molecule candidate in early preclinical development. Bayer will have an option of selecting one additional candidate for the second program from the NextRNA's library. This transaction strengthens Bayer's development pipeline in oncology and offers portfolio differentiation by adding novel therapeutic approach with first in class products. This transaction highlights the willingness of Big Pharma to invest in breakthrough innovation with strong therapeutic potential. The interesting feature of this deal is that it encompasses the collaboration and payments throughout full development and commercialization cycle, which is uncommon for the early preclinical stage assets. ”



Stanislav Glezer, MD, MBA
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Highlighted Diagnostics Acquisition



Target



Buyer

Date: 8/5/24

Type: M&A

Target Description: Provider of genetic diagnostics tests for neurological, cardiovascular, pediatric & metabolic disorders, hereditary cancer & other hereditary conditions

\$239M

Deal Value

Commercial

Deal Stage

Transaction Structure & Overview

- \$239M cash bid enabling acquisition of substantially all of Invitae's assets
- Expands Labcorp's specialty testing capabilities & ability to utilize genetic data to improve clinical trials & treatment regimens in oncology & select rare diseases

Outcome Strategic Insights

“ Almost 4 years ago in Oct. of 2020, Invitae was flying high (~\$45 per share) and merged with Archer Dx to bolster their cancer testing capabilities. This merger for both cash and stock was valued at ~\$1.4B with another \$1.2B in potential milestone payments. The one oversight was that Invitae was losing money at a remarkable rate (~\$600M in 2020) and the company needed to continue to issue new shares to cover their cash burn. Unfortunately, Invitae could not outlast the market and filed for Chapter 11 in Aug. 2024 and has now sold all its genetic testing assets to LabCorp for \$239M. Sadly, this story does not have a happy ending for the Invitae shareholders and shows that early-stage innovative technology companies may want to consider staying private while growing and stabilizing the company without the watchful eye of the public markets. This may have allowed Invitae to integrate Archer Dx and trim the cash burn, while getting the company on solid footing to grow. Maybe, but we will never know. ”



Craig Steger

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Highlighted Biotech/Pharma Financing



Target



Buyer

Date: 8/8/24

Type: M&A

Target Description: Developer of an AI drug discovery platform to design novel, safe, and efficacious compounds for clinical testing

\$688M

Deal Value

Clinical

Deal Stage

Transaction Structure & Overview

- Transaction structured as a \$688M all stock deal
- Recursion & Exscientia shareholders will hold 74% & 26% of the new company, respectively
- Shareholders of Exscientia will receive 0.7729 shares of Recursion class A common stock for each share held

Outcome Strategic Insights

“ In an effort to counteract poor public market sentiment since their 2021 IPOs, Recursion and Exscientia have joined forces to create an AI-enabled, drug-discovery powerhouse. By leveraging Exscientia's automated precision chemistry and molecular synthesis platform, Recursion hopes to overcome the challenges related to small molecule target discovery and exploration with more effective compound optimization technology. The platforms are highly complementary, aligning Recursion's first-in-class discovery products with Exscientia's best-in-class chemistry synthesis which will improve both the efficiency and accuracy of target selection. Together, Recursion believes they will be positioned to bring first and best-in-class medicines to patients while driving down the cost of discovery. The resulting biotech will have a broad therapeutic pipeline totaling 4 large strategic collaborations (Roche, Bayer, Sanofi, Merck KGaA) and 10 programs optioned across oncology and immunology all due to deliver clinical readouts over the next 18 months. With recent less-than-stellar efficacy results from Recursion's lead drug program, REC-994, it will be interesting to see if this merger reshapes investors looming hesitancy around AI-based drug discovery platforms and impact future clinical trial readouts. ”



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August 2024 | Transaction Lineup



Date	Target	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
8/1/24			Developing therapies to redefine standard of care for inflammation & immunology indications	Financing	\$80	N/A	Biotech/Pharma
8/1/24			Developer of a chemoproteomic discovery platform for previously undruggable targets	M&A	\$800	Undisclosed	Biotech/Pharma
8/5/24			Provider of genetic diagnostics tests for neurological, cardiovascular, pediatric & metabolic disorders, & other hereditary conditions	M&A	\$239	\$239	Diagnostics
8/5/24			Fully integrated extracorporeal photopheresis delivery system for immunomodulatory therapy	M&A	\$925	Undisclosed	Biotech/Pharma
8/6/24			Developer of advanced endoscopic systems used in minimally invasive surgeries	Financing	\$51	N/A	Biotech/Pharma
8/6/24			Developer of genomic therapies & precision medicines to treat genetic disorders, hematologic diseases & central nervous system disorders	Partnership	\$1,900	\$50	Biotech/Pharma

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools

Services

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8/8/24	Exscientia	RECURSION	Developer of an AI drug discovery platform focused on small-molecule drug candidates	M&A	\$688	Undisclosed	Biotech/ Pharma
8/12/24	revance	CROWN HUNDRED MGP Revelation Partners	Developing innovative therapies particularly in the fields of dermatology and neurology	M&A	\$924	Undisclosed	Biotech/ Pharma
8/20/24	V-WAVE	Johnson & Johnson	Developer of an implantable device designed to address the issues associated with heart failure	M&A	\$1,700	\$600	MedTech
8/21/24	PreciseDx	EVENTIDE LabCorp GENHENN CAPITAL Quest Diagnostics	Enhancing the accuracy of breast cancer diagnostics through advanced technology and data analysis	Financing	\$21	N/A	Diagnostics
8/21/24	XII MEDICAL	APERTURE Cleveland Clinic INTUITIVE Ventures JobsOhio OMEGA FUNDS BROADVIEW VENTURES AJAX HEALTH	Developing medical devices and technologies for the treatment of various cardiovascular conditions	Financing	\$45	N/A	MedTech
8/22/24	Zenas BioPharma	IPO	Developing and commercializing innovative therapies for rare & specialty diseases	IPO	\$150	N/A	Biotech/ Pharma

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

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8/22/24	PARAGONIX TECHNOLOGIES	GETINGE	Developer of organ transportation devices designed for the security & preservation of donor organs	M&A	\$253	Undisclosed	MedTech
8/23/24	BOREALIS BIOSCIENCES	NOVARTIS VERSANT VENTURES	Developer of immuno-oncology therapies aimed at harnessing the body's immune system to target and destroy cancer cells	Financing	\$150	N/A	Biotech/ Pharma
8/23/24	OpenWater	BOLD CAPITAL PARTNERS PLUM ALLEY ELEVATION KHOSLA VENTURES	Developer of imaging techniques to improve the diagnosis and treatment of neurological conditions	Financing	\$54	N/A	MedTech
8/28/24	NEXTRNA THERAPEUTICS	BAYER	Biotechnology company focused on developing transformative medicines to address long non-coding RNA (lncRNA)-driven diseases	Partnership	\$547	Undisclosed	Biotech/ Pharma
8/29/24	melodi	SOUTHEAST MINNESOTA CAPITAL FUND ENGAGE VENTURES HM VENTURE PARTNERS THREE BRIDGES PRIVATE CAPITAL	Manufacturer of medical devices intended to improve outcomes for breast reconstruction.	Financing	\$11	N/A	MedTech
8/30/24	Clearsense	HealthCatalyst	Developer of a data platform-as-a-service to support healthcare organizations	Financing	\$19	N/A	HealthTech

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

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Life Science Tools

Services



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