



Outcome Capital Life Sciences Market Pulse

December 2024

Reach the Right Outcome



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OUTCOME CAPITAL | LIFE SCIENCES MARKET PULSE

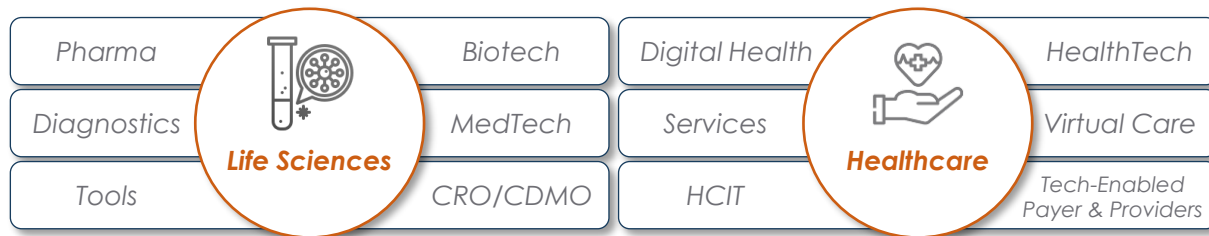


Market Trends & Strategic Transactional Insights

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

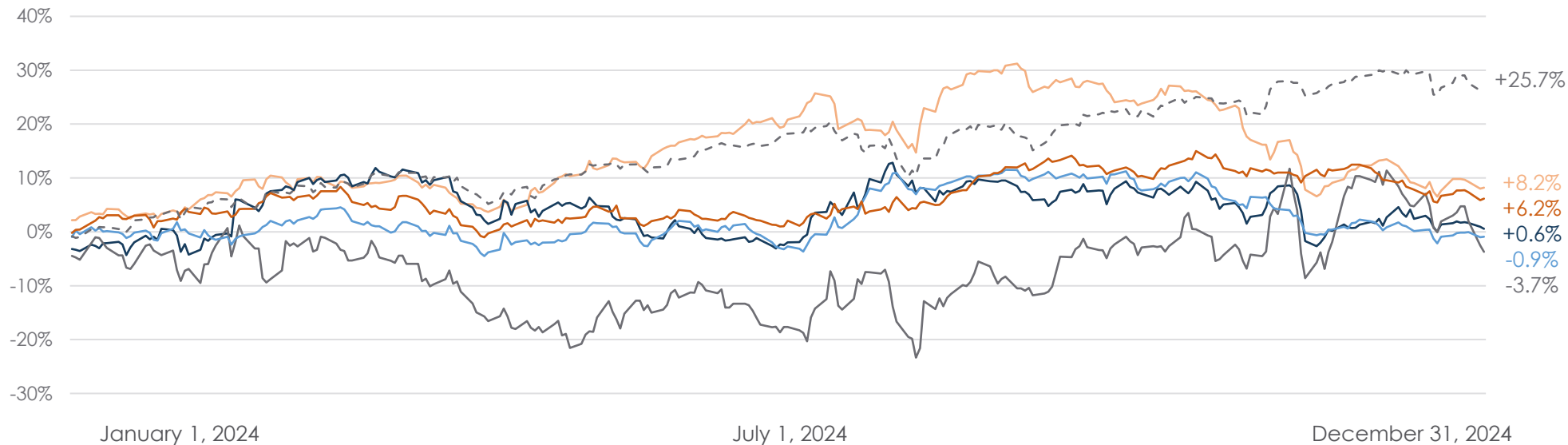
Notable Transactions Lineup

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

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December 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 Biopharma Partnership



Target



Partner

Date: 12/18/2024

Type: License Agreement

\$2B

Deal Value

Commercial

Deal Stage

Target Description: R&D company focused on manufacturing of drugs for multiple therapeutic areas including oncology, CNS, metabolic diseases, autoimmune diseases, and infectious diseases

Transaction Structure & Overview

- Hansoh Pharma will receive an \$112 million upfront and is eligible to receive \$1.9 billion in milestone payments and may co-promote or solely commercialize HS-10535 in China
- Merck gains exclusive global license to develop, manufacture, and commercialize HS-10535, recording a pretax charge \$112 million (\$0.04 per share) in Q4 2024

Outcome Strategic Insights

“ While the recent launches of GLP-1 drugs from Novo Nordisk and Eli Lilly have been nothing short of a staggering financial success, with companies showing that injectable options can help patients lose north of 20% of their body weight, future generations of the class are likely to be oral small molecules that are part of a combination treatment to limit muscle loss.

Merck (MRK) and Hansoh Pharma, a Chinese biopharmaceutical company, announced that they have entered into an exclusive global license agreement for HS-10535, an investigational preclinical oral small molecule GLP-1 receptor agonist. Under the agreement, Hansoh Pharma has granted Merck an exclusive global license to develop, manufacture and commercialize HS-10535. Hansoh Pharma will receive an upfront payment of \$112M and is eligible to receive up to \$1.9B in milestone payments associated with the development, regulatory approval, and commercialization of the candidate, as well as royalties on sales.

Hansoh Pharma may co-promote or solely commercialize HS-10535 in China subject to certain conditions. While somewhat of a late entry into the big stakes game of GLP-1 agonists, the Big Pharma already has efinopegdutide, a dual GLP-1/glucagon receptor co-agonist that Merck touted as beating Novo Nordisk's blockbuster GLP-1 drug Ozempic in a phase 2 trial in the tricky indication of nonalcoholic fatty liver disease. Merck hopes Hansoh's GLP-1 candidate HS-10535 has a wide range of cardiometabolic benefits. The best bet here is that Merck will continue expanding its presence in obesity through further external business development activities and could be the likely acquirer of Viking Therapeutics, which last month alone saw weight loss success for its dual agonist of GLP-1 and GIP, as well as a positive MASH readout for its thyroid hormone receptor agonist.”



Ellen S. Baron, PhD
Outcome Capital, LLC
ebaron@outcomecapital.com

Highlighted Medtech Financing



Target

Undisclosed

Investors

Date: 12/26/2024

Type: Financing

Target Description: A developer of a vacuum-assisted retrieval device designed to remove kidney stone fragments

\$28M

Deal Value

Clinical

Deal Stage

Transaction Structure & Overview

- Raised \$28M of Series E venture funding from undisclosed investors
- Recently received FDA approval for redesign of device that collects kidney stone fragments after laser lithotripsy

Outcome Strategic Insights

“Another win for Calyxo, who closed on \$28M Series E financing following published evidence of superior kidney stone clearance and FDA clearance of their re-designed CAVC all-in-one stone management system earlier in 2024. Their clinical success has sparked efforts to redefine industry-standard performance metrics. Backed by Questa Capital, Avidity Partners, and CRG at a post-money valuation of \$400M, Calyxo is likely to garner near-term interest from key strategics in the urology segment including Boston Scientific, Olympus, and Karl Storz.”



Peter Meyer, PhD

Outcome Capital, LLC

pmeyer@outcomecapital.com

Highlighted Biopharma Partnership



Target



Partner

Date: 12/18/2024

Type: License Agreement

\$186M

Deal Value

Pre-Clinical

Deal Stage

Target Description: Developer of proprietary PHICS™ technology that induces proximity between a kinase & a target of interest; Photys is applying PHICS™ technology other induced proximity modalities to advance a best-in-class pipeline of medicines for oncology, autoimmune, & cardiometabolic disease

Transaction Structure & Overview

- Multi-year collaboration and license agreement with Novo Nordisk to develop novel proximity-based therapeutics for a cardiometabolic disease target.
- Deal structure:
 - Photys is eligible to receive up to \$186M in upfront, development and commercial milestone payments,
 - R&D funding
 - Tiered royalty payments on commercial sales.
- Photys will advance the PHICS molecules through preclinical development.
- Novo Nordisk will further advance the PHICS molecules through IND-enabling studies and clinical development.

Outcome Strategic Insights

“Photys' proprietary PHICS™ (Phosphorylation Inducing Chimeric Small molecules) technology induces proximity between a kinase and a protein target of interest to phosphorylate the target thereby altering its biologic function. Photys was launched with \$75M Series A about 2 years ago, as a spin off from the Broad Institute. This transaction highlights the progress that the company has made in further developing and validating its technology to attract interest from Novo Nordisk.

For Novo Nordisk, this collaboration is well aligned with its presence in cardiology space with the demonstrated cardiovascular benefits of its GLP1 agonist products. The emphasis on cardiology is particularly important in the context of a challenge to the obesity franchise with the recent SURMOUNT-5 study results, where Eli Lilly's tirzepatide has outperformed semaglutide with 47% greater weight loss after 18 months. This data has triggered some reimbursement bodies to assess the need to streamline to preferential or exclusive listing of tirzepatide for obesity.

Interestingly, Novo Nordisk continues to invest into preclinical assets, relying on partnerships to leverage research and preclinical capabilities of the biotech partners, while clearly emphasizing internal strengths in clinical research, regulatory strategy

and commercialization. The company proceeds cautiously, and structures milestone based multiyear deals rather than advancing with the simpler outright acquisition model. While this allows Novo Nordisk to better manage the investment risk and cash flow, it puts a burden on a biotech partner to manage such long-term relationship, and potentially delays the return on capital for earlier biotech investors.”

Stanislav Glezer, MD, MBA

Outcome Capital, LLC
sglezer@outcomecapital.com



Highlighted Biopharma Acquisition



Target



Buyer

Date: 12/02/2024

Type: Acquisition

Target Description: A clinical-stage biopharmaceutical company focused on developing novel, transformative medicines for neurological diseases

\$2.6B

Deal Value

Clinical

Deal Stage

Transaction Structure & Overview

- Lundbeck completed the tender offer transaction for all outstanding shares of Longboard common stock at \$60 per share, a 77% premium to the 30-day volume-weighted average price of Longboard common stock as of September 30, 2024
- The acquisition was funded with cash resources and the existing bank financing facility with the firm looking to de-lever over the next 18-24 months to have a NIBD/EBITDA < 2.5x

Outcome Strategic Insights

“Lundbeck has made its first transformative transaction since the acquisition of Alder Biopharmaceuticals in 2019 with its acquisition of Longboard Pharmaceuticals. Promising anti-CGRP migraine treatments were the motivation behind the 2019 deal. This time, Lundbeck is seeking to establish a platform in the rare neurodegenerative disease space following promising phase 2 data of Longboard's lead candidate, bexicaserin in treatment of seizure disorders. Lundbeck put forward an all-cash offering of \$60/share to acquire Longboard representing a 54% premium for existing shareholders. The premium is likely attributed to the sizeable patient population without any recourse among those with developmental and epileptic encephalopathies. The size and structure of the deal showcases Lundbeck's confidence in the preclinical and clinical data as the company seeks to continue the steady cadence of new market entries as a patent cliff approaches for another of its leading drugs Rexulti in 2029. The lead asset acquired in Lundbeck's previous acquisition, Vyepti, generated ~\$300 M in the first 9 months of 2024 and is growing rapidly. A phase 3 clinical readout and a smooth commercial launch will determine if Lundbeck can mimic the success of the Alder acquisition with Longboard in an adjacent neurological disease space.”



Michael Casasanta, PhD
Outcome Capital, LLC
mcasasanta@outcomecapital.com

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December 2024 | Transaction Lineup

Date	Target/	Buyer/ Investor	Target Description	Deal Type	Deal Value (\$M)	Up-Front Payment (\$M)	Vertical
12/02/2024	Therakos	CVC CAPITAL PARTNERS	Provider of extracorporeal photopheresis immune modulation therapy	M&A	\$925	Undisclosed	MedTech
12/03/2024	Integrated Oncology NETWORK	CardinalHealth	A physician-led independent community medical oncology, urology & ancillary clinic	M&A	\$1,120	\$1,120	Services
12/03/2024	Ma2e	ARCH VENTURE PARTNERS DEEP TRACK CAPITAL FRAZIER LIFE SCIENCES	Clinical stage company developing small molecule drugs in neurological, metabolic, & renal diseases by leveraging genetic bio-markers	Financing	\$115	N/A	Biotech/ Pharma
12/04/2024	cleerly	Battery INSIGHT PARTNERS	Supporting comprehensive phenotyping of coronary artery disease through FDA-cleared, AI-based solutions	Financing	\$106	N/A	HealthTech
12/11/2024	NOEMA PHARMA	EQT Life Sciences	Clinical-stage biotech company targeting debilitating central nervous system disorders	Financing	\$147	N/A	Biotech/ Pharma
12/11/2024	angitia	BainCapital LIFE SCIENCES Janus Henderson INVESTORS	Focused on the discovery & development of novel therapeutics that address key musculoskeletal diseases	Financing	\$120	N/A	Biotech/ Pharma

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools

Services

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12/02/2024		 	Developer of heart valve implants & a catheter-based robotic delivery platform	Financing	\$110	N/A	MedTech
12/13/2024			Biotech company intended to deliver a peptide drug discovery & development engine	M&A	\$200	\$200	Biotech/Pharma
12/15/2024			Provider of cloud-based practice management, electronic health records, & revenue cycle management	M&A	\$1,125	Undisclosed	HealthTech
12/19/2024		 	Developer of first-in-class, bifunctional therapeutics to extend the lives of people living with cancer	Financing	\$140	N/A	Biotech/Pharma
12/23/2024			Clinical-stage company developing novel therapeutics for immunological & inflammatory diseases	M&A	\$100	\$75	Biotech/Pharma
12/30/2024			Commercial-stage pharmaceutical company developing therapeutics for seizure disorders	Financing	\$151	N/A	Biotech/Pharma

[Hyperlinked to Press Release](#)

MedTech

Biotech/Pharma

HealthTech

Diagnostics

Life Science Tools

Services



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Reach the Right Outcome

Headquarters Office:



20 Custom House Street
Suite 1200
Boston, MA 02110
+1 (617)431-2278

International Offices:



Via A. Galli, 2 6900
Lugano, Switzerland



1305 South Suzhou Road, 2F
Shanghai, China

Global Reach



www.outcomecapital.com