

European Life Sciences deals overview Q2 2024

Deal Monitor
KPMG Life Sciences

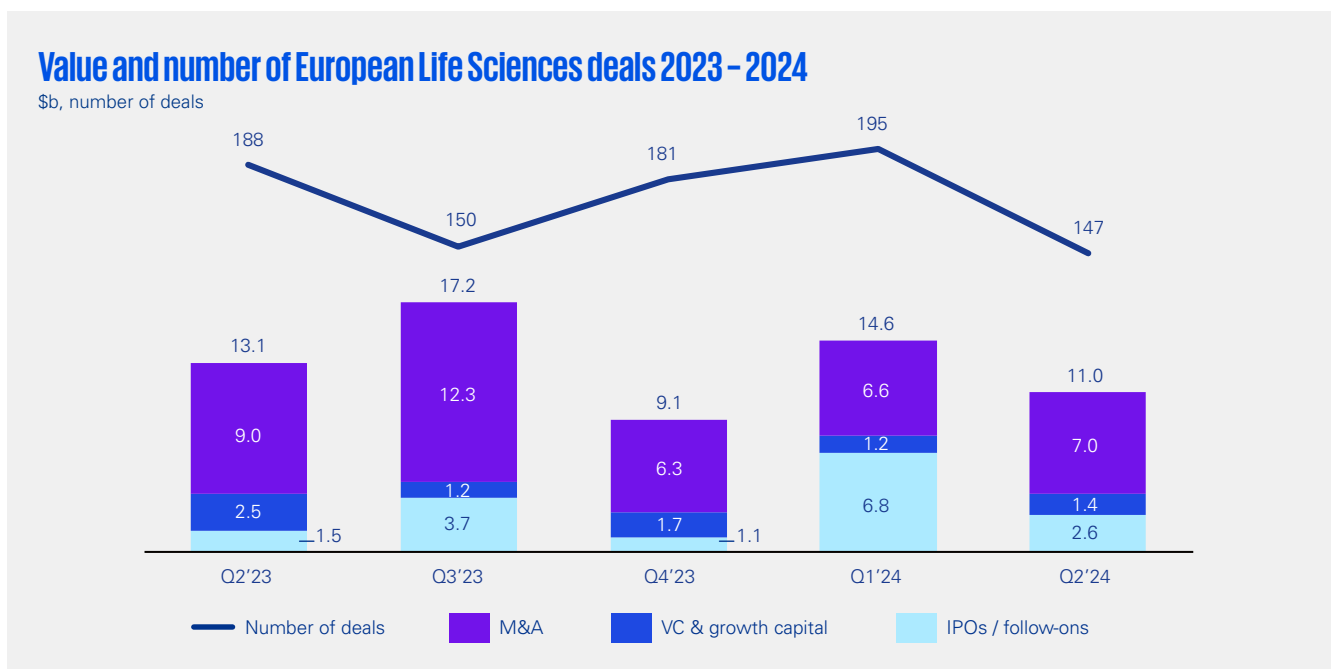
Overall, value and deals involving European targets in Q2'24 are below Q2'23 totals. YoY, M&A and VC & growth capital deal value is down 22% and 43%, respectively, while IPO and follow-on deal value is up 73%

European M&A deal value was 6% above Q1, with total transaction value at \$7b in the second quarter. Major acquiring companies included Merck & Co., Asahi Kasei, Johnson & Johnson, Bruker, Esteve, SK Bioscience, and Gedeon Richter, which aimed to enhance their therapeutic area presence with targeted acquisitions, expansion into new territories, and building up R&D capabilities

Venture capital & growth capital deal value was 20% above Q1. Leading deals involved precision oncology players, Isotopen Technologien München, ITM (radiopharmaceuticals), SynOx Therapeutics (mAbs), Pheon Therapeutics (ADCs), Bright Peak Therapeutics

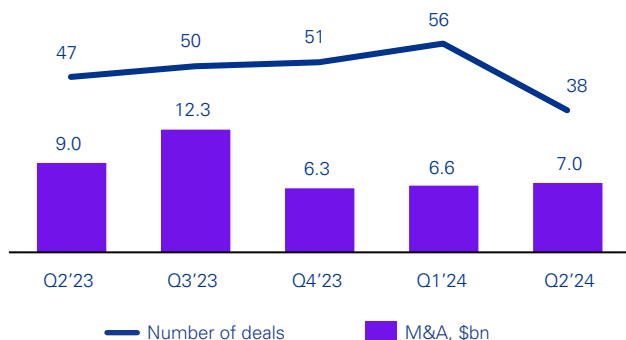
(immunotherapy), and iOnctura (novel oral small molecules). MedTech company, Amber Therapeutics (neuromodulation), closed \$100m in Series A

Europe's public markets had an additional IPO and 5+ follow-on offerings. Largest deal involved peptide player Zealand Pharma (CPSE:ZEAL) raising \$1b through a direct share offering. Gastroenterology-focused player, Cinclus Pharma (STO:CINPHA), debuted with an IPO on the Nasdaq Stockholm. Other follow-on offerings took place involving ADC platform, multi-specific antibody, novel small molecule, and cell therapy players active in the oncology, ophthalmology, and rare disease



Sources: CapitalIQ; Mergermarket; PitchBook; Company press releases; KPMG analysis.

M&A deals Q2 2024



Since Q1, total number of European M&A deals is down while total deal value is up

M&A deals were driven by European targets

in ophthalmology, autoimmune, and rare diseases

- Merck & Co. acquired Eyebiotec for up to \$3b, incl. \$1.3b upfront and \$1.7b in milestones. Key target, Restoret, was a tetravalent, tri-specific antibody acting as a Wnt-signaling pathway agonist for diabetic macular edema (DME), neovascular age-related macular degeneration, and Familial Vitreal Retinopathy. Ph 2b/3 for DME expected by 2H24
- Johnson & Johnson acquired Yellow Jersey Therapeutics, a wholly-owned subsidiary of Numab Therapeutics, for \$1.2b. NM26, a bi-specific IL-4R α and IL-31 antibody for atopic dermatitis, is set to advance into Ph 2. Deal is expected to close by 2H24
- Asahi Kasei acquired Calliditas for \$1.1b establishing their footprint in Europe and the US. Deal followed Calliditas' FDA approval of Tarpeyo, an oral, delayed-release, corticosteroid for IgA nephropathy, and also clinical-stage Setanaxib, an oral, NOX1/4 inhibitor for PBC, IPF, and Alport Syndrome. Offer represented an 83% premium
- Esteve acquired HRA Pharma Rare Diseases from Perrigo for \$294m to expand its presence in rare and ultra-rare diseases. Deal adds assets, Metopirone, Lysodren, and Ketoconazole HRA to address Cushing's syndrome and Adrenocortical Carcinoma
- Gedeon Richter acquired Estetra and Neuralis, along with assets from Mithra Pharmaceuticals for \$187m. Richter expands their women's health portfolio by acquiring native estrogen platform, Estetrol (E4), as well as assets, Estelle and Donesta

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Companies strategically acquired assets to leverage advanced R&D capabilities:

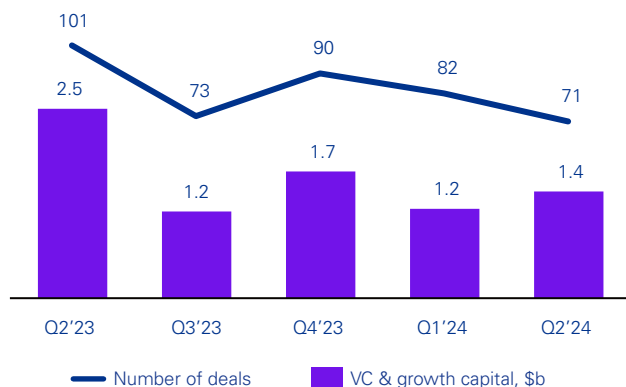
- Swiss instruments player Bruker entered an asset purchase agreement with NanoString Technologies for \$392m. Bruker leverages NanoString's spatial transcriptomics and gene expression platform with its existing spatial proteomics offering. The integration combines technology leaders in the "post-genomic era," expanding capabilities in single-cell and spatial proteomics research
- A strategic partnership was formed via SK Bioscience's \$244m majority stake from Klocke Group company, IDT Biologika, a German based vaccines and viral vector CDMO. Deal enables both manufacturers to create biologic production synergies and expand into future growth areas such as anti-cancer viruses and cell and gene therapy (CGT). Additionally, the South Korean player will utilize IDT's global supply chain and client network to enhance market reach and infrastructure integration

Reverse merger activity in Q2

Flerie Invest AB and InDex Pharmaceuticals Holding AB performed a reverse merger worth \$255m following InDex's discontinuation of Ph 3 candidate, cobitolimod, a toll-like receptor 9 (TLR9) agonist, in patients with moderate to severe active left-sided ulcerative colitis. Merger aims to attract new institutional investors and financial backing for new company, Flerie AB



VC & growth capital deals Q2 2024



Compared to Q1, VC & growth capital deal number is down and total value is up

Oncology therapeutics led top VC & growth capital deals with 2H24 as key milestone date:

Late-stage to commercial readiness

ITM's \$204m financing aims to commercially ready their radiopharmaceutical pipeline incl. lead Ph 3 candidate, ITM-11, for gastroenteropancreatic neuroendocrine tumors (GEP-NETs), and expand manufacturing and development capabilities for radioisotopes Lutetium-177 and Actinium-225

SynOx Therapeutics' \$75m Series B allows emactuzumab, a CSF-1R inhibiting mAb for localized and diffused Tenosynovial Giant Cell Tumour (TGCT), to initiate Ph 3 (TANGENT)

Early-to-mid clinical stage advancement

Pheon Therapeutics' \$120m Series B funds their clinical pipeline of ADC assets targeting solid tumors with DAR8 Topoisomerase-1 inhibitor linker-payloads. Pheon anticipates initiating trials by 2H24

Bright Peak Therapeutics' \$90m Series C progresses lead candidate, BPT-567, a PD1-IL18 immunoconjugate for solid tumors, into clinic by 2H24

Merck Ventures spin-out, iOnctura, received \$85m Series B to advance roginolisib, an oral PI3Kδ allosteric modulator, through to Ph 2 for lead indication uveal melanoma (UM), and later, non-small cell lung cancer and primary myelofibrosis in 2H24

Sources: CapitalIQ; Mergermarket; PitchBook; Company press releases; KPMG analysis.

New Neuroscience entrant

Addex Therapeutics and Perceptive Advisors' \$63m launch of Neurosterix allows clinical development for their lead muscarinic acetylcholine receptor subtype 4 positive allosteric modulator (M4 PAM) program for neurological disorders. Addex extends its financial runway and focus on preclinical assets while Neurosterix will advance late-stage therapies

European MedTech Investment

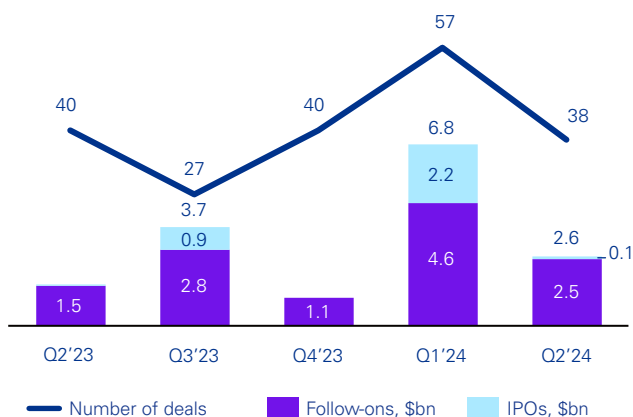
Amber Therapeutics received \$101m Series A to develop their Class III device, Amber-UI, an adaptive and implantable neuromodulation therapy for women with mixed urinary incontinence (MUI). Results from first-in-human study (AURA-2) expected by 2H24

Notable investors in Q2 2024

Temasek, BlackRock, Qatar Investment Authority, ATHOS, Carbyne, Hercules Capital, TCGX, BVF Partners, Lightspeed Venture Partners, Perceptive Advisors, Johnson & Johnson Innovation (JJDC), Venrock, KB Investment, Northleaf Capital, Syncona, European Innovation Council (EIC), M Ventures, Forbion, HealthCap, Bioqube Ventures, New Enterprise Associates, F-Prime Capital, Lightstone Ventures, Intuitive Ventures, Inkef Capital



IPO & follow-on deals Q2 2024



- Pharvaris (NASDAQ:PHVS) announced \$175m to advance their oral bradykinin B2-receptor antagonists for hereditary angioedema (HAE)
- Adaptimmune (NASDAQ:ADAP) secured a \$125m private placement to support the launch of T-cell receptor (TCR) therapies, afami-cel for synovial sarcoma by 4Q24 and lete-cel in 2026
- ADC Therapeutics SA (NYSE:ADCT) raised \$105m to develop ADC technology for hematology/oncology and solid tumors

Following Q1 2024, IPO and follow-on total deal number and value is down, despite six follow-ons and secondary offerings above \$100m in Europe

On June 20th, Cinclus Pharma (STO:CINPHA), debuted on the Nasdaq Stockholm to advance Ph 3 candidate, linaprazan glurate, a potassium-competitive acid blocker (P-CAB) for eGERD. The IPO raised \$68m with a \$117m valuation

Notable follow-ons included:

- Zealand Pharma (CPSE:ZEAL) raised \$1b to advance obesity programs in Ph 2b, support CMC activities, and seek partnerships
- Merus N.V. (NASDAQ:MRUS) raised \$400m to advance their oncology pipeline of multispecific antibodies; multiclonics, triclonics and biclonics

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European Life Sciences deals overview 2023 & 2024 outlook



RNA therapies landscape and trends

Sources: CapitalIQ; Mergermarket; PitchBook; Bloomberg; Company press releases; KPMG analysis.

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