

European Life Sciences deals overview Q3 2024

Deal Monitor
KPMG Life Sciences

Overall, value and deals involving European targets in Q3 2024 are below Q3 2023 totals. YoY, VC & growth capital deal value is up 88%, while M&A and IPO & follow-on deal value is down 39% and 71%, respectively.

European M&A deal value was 8% above Q2 2024, with total transaction value over \$7b in the third quarter. Major acquiring companies included L'Oréal, Organon, Partners Group, Recursion Pharmaceuticals, Siemens Healthineers, and LabCorp, which aimed to enhance their therapeutic area presence with targeted dermatology and immuno-inflammatory acquisitions, advance diagnostic capabilities, and increase R&D drug and discovery advancements

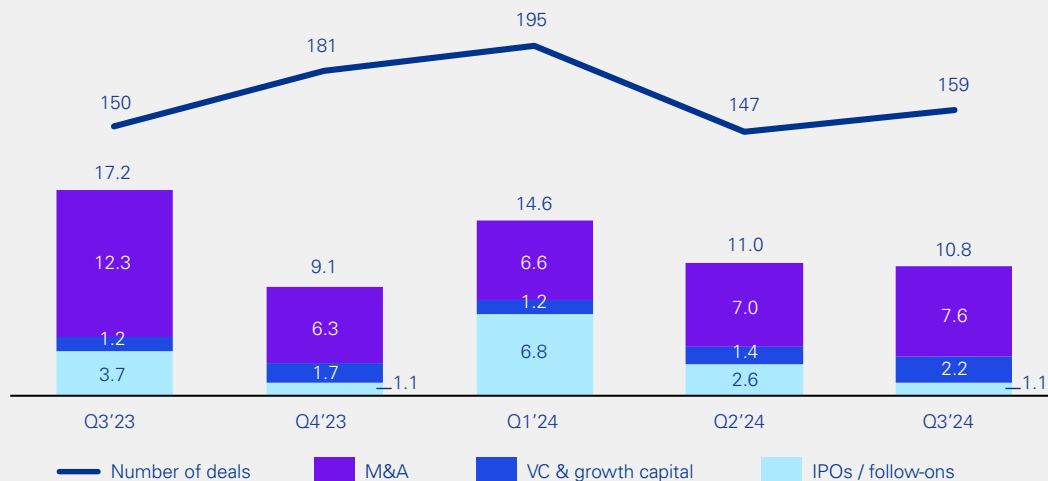
Venture capital & growth capital deal value was 52% above Q2 2024. Leading deals involved CatalYm (GDF-15 targeting monoclonal antibodies), Medix Biochemica (in-vitro diagnostics, IVD), Myrix Pharma (antibody-drug conjugates, ADCs), PanTera (radioisotopes), Asceneuron (oral small

molecules), Vicebio (next-gen multivalent vaccines), F2G (novel antifungals), and HAYA Therapeutics (lncRNAs). Bruker and NovAlix (contract research organizations, CROs) collaborate to develop novel drug discovery technologies

Europe's public markets had an IPO and at least five follow-on offerings over \$80m. The largest offering involved rare endocrine and oncology prodrug player Ascendis Pharma (NASDAQ:ASND) for \$300m. Clinical-stage radiopharmaceutical player, Pentixapharm (ETR:PTP), debuted an IPO on the Prime Standard of the Frankfurt Stock Exchange. Other follow-on offerings included players in serpin biologics, neuropeptides, ADCs, and precision medicine active in heme and immuno-oncology, neurology, and rare diseases

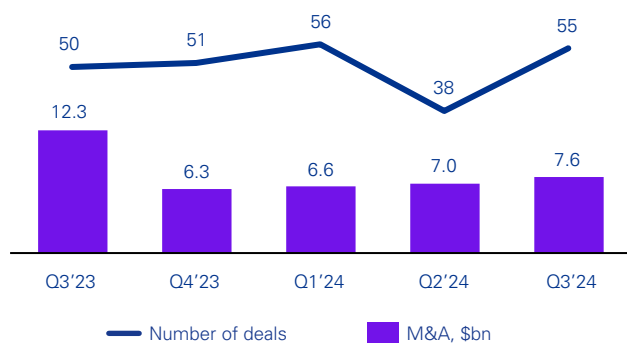
Value and number of European Life Sciences deals 2023 - 2024

\$b, number of deals



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

M&A deals Q3 2024



Since Q2 2024, total number of European M&A deals and total deal value have risen

M&A deals were driven by European targets in dermatology and immuno-inflammatory diseases

- L'Oréal acquired a 10% stake in Galderma, strengthening its position in dermatology. This partnership will leverage both companies' complementary strengths in beauty and dermatology and focus on joint R&D initiatives aimed at developing advanced technologies for dermatological applications
- Organon agreed to acquire Dermavant for up to \$1.2b, including upfront payment of \$175m and potential milestone payments. VTAMA cream, approved for plaque psoriasis, is under FDA review for atopic dermatitis, with a decision expected in Q4 2024. The acquisition expands Organon's U.S. dermatology capabilities
- Mallinckrodt agreed to sell its Therakos business to CVC Capital Partners for \$925m. Therakos, an extracorporeal photopheresis (ECP) system for immunomodulatory therapy, is approved across multiple regions to treat immune-related diseases
- Molex, parent to Phillips Medisize, has entered an agreement to acquire Vectura Group Limited from Philip Morris International for \$392m. The acquisition enhances Phillips Medisize's drug delivery capabilities by adding Vectura's expertise in inhalation device design and formulation for diseases such as asthma and COPD

Companies strategically acquired assets to leverage advanced diagnostics capabilities

- Eurobio Scientific entered into a \$282m agreement with a consortium led by IK Partners. The deal aims to accelerate Eurobio Scientific's growth strategy in specialty in vitro diagnostics, particularly in transplantation, immunology and infectious diseases
- Siemens Healthineers is set to acquire Novartis' European radiodiagnostic manufacturing network for \$223m. Transaction targets Novartis' Advanced Accelerator Applications division, specializing in radioactive tracers for PET imaging in diagnosing cancer, heart conditions and neurological disorders. The acquisition will enhance Siemens Healthineers' PET imaging business by expanding its operations across Europe, adding 14 manufacturing sites for Fluorine-18 isotopes. Siemens Healthineers will remain a partner for Novartis' radioligand therapy business
- Labcorp acquired a 15% stake in SYNLAB from Cinven and other co-investors. SYNLAB, a diagnostics player specialized in clinical laboratory testing and specialty diagnostics, achieved revenues of €3b in 2023 performing approx. 600 million tests across areas such as infectious diseases, oncology and genetics

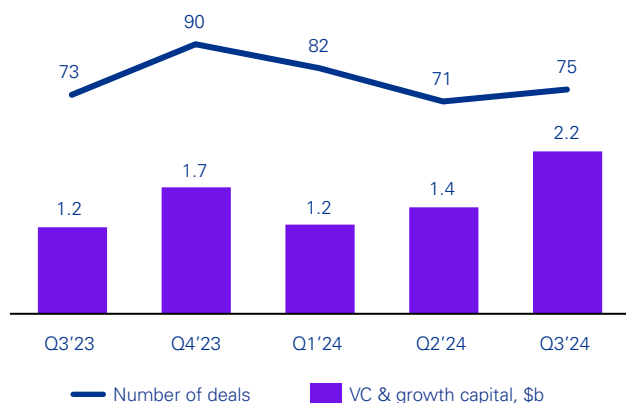
Drug development and discovery activity

- Partners Group agreed to acquire a majority stake in FairJourney Biologics, an antibody discovery CRO, for an undisclosed amount. FairJourney, which supports over 250 clients in developing antibody-based therapies, will benefit from increased pharmaceutical R&D spending and outsourcing
- Recursion and Exscientia agreed to a \$712m merger. Combining entities leverages Recursion's biological and translational capabilities with Exscientia's precision chemistry and automated synthesis to accelerate drug development, with 10 clinical readouts expected in the next 18 months. Lead candidates target CDK7 and PKC-Theta, with a focus on oncology, rare and infectious diseases



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

VC & growth capital deals Q3 2024



Compared to Q2 2024, VC & growth capital deal number and total value have increased

Oncology, neurology and ophthalmology therapeutics led VC & growth capital deals

Late-stage to commercial readiness

- CatalYm's \$150m Series D expands visugromab, a mAb targeting GDF-15, into Ph 2b for NSCLC, urothelial cancer and HCC in combination with anti-PD-1 therapy
- Asceneuron raised \$100m Series C co-led by Novo Holdings and EQT to progress lead asset ASN51, an oral small molecule OGA inhibitor, into Ph 2 for Alzheimer's disease by Q4 2024
- F2G raised \$100m to advance late-stage antifungal drug, Olorofim, an oral orotomide targeting pyrimidine synthesis in Ph 3 for invasive aspergillosis and rare fungal infections



Early-to-mid clinical stage advancement

- Beacon Therapeutics' \$170m Series B supports lead asset AGTC501, a gene therapy targeting XLRP in Ph 1/2, and preclinical programs in dAMD and cone-rod dystrophy (CRD)
- Myricx Bio raised \$114m Series A co-led by Novo Holdings and Abingworth to advance its N-Myristoyltransferase inhibitor (NMTi) ADC payload platform targeting tumor antigens
- Vicebio raised \$100m Series B to develop their respiratory vaccines, VXB241, a Ph 1 bivalent RSV/hMPV vaccine, and VXB251, a trivalent RSV/hMPV/Parainfluenza Virus 3 vaccine
- HAYA Therapeutics and Eli Lilly partnered to discover novel lncRNA targets for obesity using HAYA's RNA-guided platform. HAYA received an upfront payment and up to \$1b in milestones

Significant IVD investment

DevCo raised \$331m for Medix Biochemica, a provider of critical biological raw material products for IVD, supplying high-quality antibodies, antigens and essential IVD components

Ongoing activity in radioisotopes

PanTera secured \$102m Series A to address the global shortage and accelerate the commercial-scale production of clinical grade Actinium-225 (²²⁵Ac), a targeted alpha therapy in cancer treatment

Novel drug discovery CRO expansion

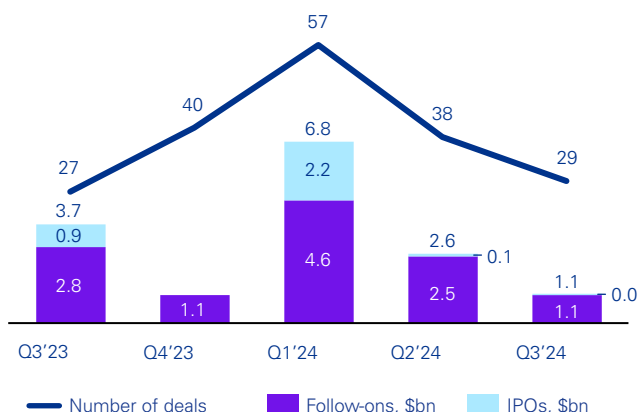
Bruker's investment in NovAliX drives development of single-cell and spatial biology technologies. Deal aims to enable high-resolution spatial mapping of cellular heterogeneity and identify novel targets

Notable investors in Q3 2024

Council Ring Capital, Forbion Capital, Syncona, Oxford Science, TCGX, Advent Life Sciences, Canaan Partners, Bioqube Ventures, Omega Funds, Novo Holdings, Abingworth, British Patient Capital, Cancer Research Horizons, Brandon Capital, Sofinnova, EQT, LSP Dementia Fund, OrbiMed, SR One, M Ventures, GSK Equities, Johnson & Johnson Innovation, Goldman Sachs Alternatives, Eli Lilly, AMR Action Fund, and ICG Life Sciences

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

IPO & follow-on deals Q3 2024



- Oxford Nanopore (LON:ONT) raised \$102m to advance and scale next-gen nanopore-based molecular sequencing technology in genomics
- ADC Therapeutics (NYSE:ADCT) announced a \$100m offering to support approved therapy Zynlonta and ADC programs in heme-oncology
- AC Immune (NASDAQ:ACIU) shared an \$80m offering to support their six late-stage precision medicine assets for neurodegeneration

Following Q2 2024, IPO and follow-on total deal number and value is down, despite four follow-ons and secondary offerings above \$100m in Europe

On September 23rd, Pentixapharm (ETR:PTP) was approved for a planned IPO and debuted October 3rd on the Prime Standard of the Frankfurt Stock Exchange to advance CXCR4 ligand-based radiopharmaceuticals in hematological oncology

Notable follow-ons included:

- Ascendis Pharma (NASDAQ:ASND) announced \$300m to advance late-stage transient conjugation technology programs in rare endocrinology and oncology
- Centessa (NASDAQ:CNTA) raised \$225m to advance their hemophilia, immuno-oncology and OX2R agonist programs for narcolepsy

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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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