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Insights

Market Update Life Sciences Technology

January 2024

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Trusted M&A and Capital Raising Partner for Life Sciences/Healthcare Clients

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Select Life Sciences/Healthcare MPG Transactions

 Strategic Sale <i>Commercialization Insights</i>	 Strategic Sale <i>Medical Education</i>	 Financial Sale <i>Med Device No-Code QMS</i>	 Financial Sale <i>HIPAA Compliance Software</i>	 Strategic Sale <i>Commercialization</i>
 Majority Recap <i>Life Sciences Software</i>	 7 Acquisitions <i>Clinical & Med. Affairs Data</i>	 Debt Raise <i>Clinical & Med. Affairs Data</i>	 Strategic Sale <i>Training & Clinical Events</i>	 7 Acquisitions <i>Physician / Clinical Sites</i>
 Strategic Sale <i>HCP Engagement Compliance</i>	 Strategic Sale <i>Aggregate Spend Compliance</i>	 Strategic Sale <i>Healthcare Linguistic Analysis</i>	 Strategic Sale <i>Population Health & Care Mgmt.</i>	 Strategic Sale <i>Healthcare-focused HR</i>

2023 Review: "Strategics led M&A in 2023; however, there was encouraging investor activity in the life sciences software ecosystem, particularly given the emergence of novel approaches in tech-first CROs, oncology-focused solutions and AI-driven compliance. The healthcare & pharma software market has consistently thrived amidst the dynamic evolution of technologies, and we look forward to partnering with our clients to drive premium outcomes together."

-Rohan Khanna, Managing Director

Our Market View & Transaction Activity

Underlying Trends & Observations



New CRO Activity

A new breed of tech-driven CROs are emerging and acquiring software vendors to drive internal efficiencies and expand into higher margin offerings



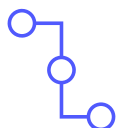
Oncology Tailwinds

While oncology remains one of the leading therapeutic sectors on a value & growth basis, there are limited true cancer data, automation and AI/ML technology vendors



QMS Compliance Remains In High Demand

Life sciences & medical device QMS providers continue to receive robust interest amidst the increasing imperative of industrial digitization and compliance



PEs Investing Along The Value Chain

Tier 1 institutional investors are patiently exploring scalable platforms across various life sciences market segments, with a notable surge in clinical

2023 Deals Shaping the Market

Select M&A Transactions

Certara acquired **Formedix**

Clinical metadata repository

Definitive Healthcare acquired **Populi**

Provider focused data and analytics

Archimed acquired **Instem**

Pre-clinical software

ThermoFisher acquired **CorEvitas**

Real world evidence solutions

Select Fundraising Transactions

General Catalyst invested in **Paradigm**

Clinical trial data and matching platform

MassMutual invested in **Onc.AI**

Immuno-oncology focused clinical management

Sixth Street invested in **MasterControl**

Life sciences quality management system

Dragoneer invested in **Komodo Health**

Healthcare mapping and analytics

I.



Industry Trends

Tech-Driven CRO Activity

Combining Software & Services Into Packaged Solutions

CRO Overview

- CROs provide outsourced clinical & other services for and on behalf of pharmaceutical companies
- CROs are often clients of life sciences software vendors; however, they may perform their services via proprietary technology
- Some CROs will often acquire software vendors for multiple advantages
 - ✓ Provide differentiated packaged solutions
 - ✓ Improve internal workflow efficiencies
 - ✓ Diversify into higher-margin offerings

Market Pulse – Varying Feedback



*“Demand in the R&DS segment remains strong...our services bookings were the highest ever at \$2.3 billion. Our backlog reached \$28.8 billion...**another historic high.**”*

Ari Bousbib, CEO, IQVIA
November 2023



*“There has been a lot of discussion...regarding pressure on the consumer. We have seen **limited evidence** to date that such **pressure is impacting our U.S. customers.**”*

Rakesh Sehgal, CFO, PRA Group
November 2023



*“I think it probably comes back to some of the comments we made earlier about [the] **belt tightening** that’s happening with our large pharma customers”*

Brendan Brennan, CFO, ICON
November 2023



Emerging CRO Case Studies – Software Acquisitions

Buyer - Sponsor

Buyer - Sponsor



Add-Ons



Recent market entrant with multiple acquisitions

\$1.3bb sale to Cencora (AmeriSourceBergen) in January 2023

Tech-Forward CRO Fundraising Transaction

£14 Million Series A

CREANDUM

August 2023

Positioned as an “Anti-CRO” which provides end-to-end trial delivery services through robust technology, including machine learning

“This is a massive market, and tech-first CROs have not yet got a foothold.”

- Michael Young, Co-founder, Lindus Health

State of the Oncology Market

Multi-Faceted Industry Tailwinds For a Variety of Solution Providers

1 *Trial matching and patient recruitment* remain critical pain points in the eClinical market, necessitating robust technology solutions to manage these workflows



Clinical Trial Challenges: Patient Recruitment and Diversity

March 2023



2 Cancer reporting remains complex given the *multi-layered compliance requirements* and number of stakeholders (local registries, CDC, etc.)



Rapid Cancer Reporting System (RCRS) Released

September 2020



3 *AI / NLP* have increased in popularity given the *efficiencies they generate* in both horizontal and sector-specific (e.g., healthcare / life sciences) use cases



NLP in Healthcare/Life Sciences Expected to Grow From \$2.2B in 2022 to \$7.2B by 2027 (27% CAGR)

October 2023



4 While *oncology is the leading therapeutic sector* on a value & growth basis, there are *limited true oncology technology vendors*, presenting strong opportunity



Tracking Pharma Growth: Oncology Continues To Lead In Therapeutic Sector Spend

May 2022



5 Appreciation for technology vendors focused on *specific therapeutic areas* given their *purpose-built capabilities, domain expertise and sales efficiencies*



Oncology-focused Patient Recruitment Platform Deep Lens Acquired by Paradigm

January 2023



6 *Non-software vendors* continue to invest in oncology technology / data solutions to *complement their hardware/services portfolios*



McKesson Participates In OncoHealth Investment, Two Years After Launching Oncology Business Unit Ontada

May 2022



Life Sciences Quality Management Software

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Increased Imperative Of Industrial Digitization And Compliance Driving Activity



MasterControl received its first ever outside investment from Sixth Street, raising \$150m



December 2022

\$1.15bb Pre-Money Value⁽¹⁾

+\$100mm ARR

~\$120-\$140mm CY'22 Revenue⁽²⁾

+25% Growth

~11.50x ARR Multiple

~8.85x Revenue Multiple (Midpoint)

Honeywell



Prior Transaction Revisited - December 2020

- ✓ 50% growth over the past year
- ✓ New CEO Vimal Kapur plans on building through acquisition on top of Sparta rather than integrating Sparta across the company
- ✓ "Anything to build upon the platform is our priority"
- ✓ Kapur has reiterated they are interested in large-scale acquisitions, likely to fall within the range of \$1-7b

Sources: S&P Global, Pitchbook, LinekdIn, Company press releases, Forbes

(1) Assumes the \$150 million investment was all primary capital

(2) MasterControl, revenue source from Forbes, other metrics are from transaction press release or inferred from provided data

Other Life Sciences QMS Developments

Palantir Introduces Quality Management System for Life Sciences

- Palantir is now positioned to help life sciences customers with their most critical workflows, including end-to-end analysis of clinical data



- January 2023

Dot Compliance Launches First AI Based ChatGPT Powered eQMS for Life Sciences

- Manufacturers can now seamlessly integrate AI-driven quality management systems into their existing processes



- April 2023

ArisGlobal to Acquire Amplexor Life Sciences – ArisGlobal customers will now gain access to enhanced publishing and labeling capabilities, in addition to Amplexor's Quality Management System



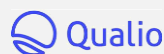
- March 2023

ION Pharma and Ennov Announced a Strategic Partnership – ION will provide advisory and implementation support for ENNOV's Quality Suite to help clients enhance quality procedures & data management



- September 2023

Qualio Nearly Doubles Customer Base of Life Sciences Leaders – 600 customers worldwide, 150% growth in the European market and 60% growth in Qualio's partner network








































- December 2022

Private Equity Interest

Investing In Multiple Platforms Across (And Within) Market Segments

Private Equity Continues To Deploy Capital Across The Value Chain

- Large institutional software investors have multiple platforms across the ecosystem, often even within the same market segment
- **Notable investor interest in the clinical segment** given the relatively larger market opportunity / software spend

Investor	Investment Count (#)	Pre-Clinical	Clinical	Mfg., Quality & Compliance	Medical Affairs	Commercialization
	3		  			
	3		 		 OPEN HEALTH	
	11		   	   		 
	3		  			
	2		 EVIDENTIQ		 AB-Cube Making Safety Easy	
	4		  			

II.

Featured Companies & Emerging Players

Featured Companies

Notable Vendors & Specialty Areas



Pre-Clinical	Clinical	Manufacturing / Quality
Med. Affairs	Commercial	Regulatory / Compliance

Company Description

Datacubed is a digital health technology company that supports hybrid and decentralized clinical trials. The company applies individualized smartphone solutions to capture ePRO and eCOA data, in addition to many other data points

Headquarters:	New York, NY
Employee Count:	55
Website:	Datacubed.com
Ownership Status:	VC-backed (Sterling Partners)
Amount Raised:	Confidential
Last Raised Date:	Confidential



Pre-Clinical	Clinical	Manufacturing / Quality
Med. Affairs	Commercial	Regulatory / Compliance

Company Description

Founded in 2015, the Dot Compliance Suite, built on salesforce.com, offers off-the-shelf QMS and compliance pre-configured processes, to over 200k users within the life sciences industry globally

Headquarters:	Ness Ziona, Israel
Employee Count:	136
Website:	Dotcompliance.com
Ownership Status:	VC-backed (Vertex Ventures)
Amount Raised:	\$33.0m
Last Raised Date:	Jul-22



Pre-Clinical	Clinical	Manufacturing / Quality
Med. Affairs	Commercial	Regulatory / Compliance

Company Description

Ennov provides a unified platform that spans research management, regulatory compliance, quality management. The company offers document and workflow management in addition to their data and analytics platform

Headquarters:	Paris, France
Employee Count:	183
Website:	Ennov.com
Ownership Status:	PE-backed (Windcrest)
Amount Raised:	Undisclosed
Last Raised Date:	Nov-13

Featured Companies (Cont'd)

Notable Vendors & Specialty Areas



Pre-Clinical	Clinical	Manufacturing / Quality
Med. Affairs	Commercial	Regulatory / Compliance

Company Description

Entimo offers requirement analysis, specification, system design, project and quality management and various other services to help solve IT challenges in the clinical and pre-clinical areas

Headquarters:	Berlin, Germany
Employee Count:	36
Website:	Entimo.com
Ownership Status:	Founder-owned
Amount Raised:	n/a
Last Raised Date:	n/a



Pre-Clinical	Clinical	Manufacturing / Quality
Med. Affairs	Commercial	Regulatory / Compliance

Company Description

Lorenz provides e-regulatory affairs software solutions for the life sciences market in the United Kingdom and internationally. Its products include regulatory submission management, validation, registration tracking and more

Headquarters:	Frankfurt, Germany
Employee Count:	137
Website:	Lorenz.cc
Ownership Status:	Founder-owned
Amount Raised:	n/a
Last Raised Date:	n/a



Pre-Clinical	Clinical	Manufacturing / Quality
Med. Affairs	Commercial	Regulatory / Compliance

Company Description

Developer of clinical software tools for electronic content, regulatory documents, and integrated quality management as well as provides compliance, quality assurance, and digital transformation services

Headquarters:	Quebec, Canada
Employee Count:	70
Website:	Montrium.com
Ownership Status:	Founder-owned
Amount Raised:	\$2.0m (non-dilutive financing)
Last Raised Date:	Jun-21

III.

Precedent Transactions & Public Comparables

M&A / Majority Transactions

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Strategics Led The Way In 2023; However, Sponsors Continue To Place Bets

\$ in millions





















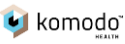
Buyer	Target	Date	Company Description & Deal Observations	Est. Deal Size	Est. Revenue	Est. EV/Rev.
NORDIC CAPITAL	 IntegriChain*	Nov-23	<ul style="list-style-type: none"> Pharma commercialization & market access solutions Nordic is also invested in ArisGlobal, Clario and Cytel 	n/a	n/a	n/a
CERTARA ^o	 formediX	Oct-23	<ul style="list-style-type: none"> Clinical metadata repository and automation solutions Combined with Pinnacle 21 subsidiary 	\$39	n/a	n/a
P E R M I R A	 ERGOMED	Sep-23	<ul style="list-style-type: none"> Clinical research and pharmacovigilance tech-enabled services Ergomed focused on complex oncology and rare diseases 	\$857	\$183	4.68x
 DEFINITIVE HEALTHCARE	 IIIPOPULI	Aug-23	<ul style="list-style-type: none"> Healthcare commercial intelligence for the provider market Enhances Definitive's dataset with claims, consumer & social data 	\$80	\$9	8.89x
ARCHIMED	 Instem <small>Information Solutions for Life™</small>	Aug-23	<ul style="list-style-type: none"> Pre-clinical software products, including toxicology and SEND AIM-traded business which previously acquired multiple assets 	\$248	\$74	3.34x ⁽¹⁾ (5.91x ARR)
 sitero	 CLARIO. (Divestiture)	Aug-23	<ul style="list-style-type: none"> Divested select eClinical products (EDC, RTSM, CTMS, eTMF, etc.) Follows Clario's prior divestiture of safety assets to Qinecsa 	n/a	n/a	n/a
 ThermoFisher SCIENTIFIC	 COREVITAS	Jul-23	<ul style="list-style-type: none"> Real-world data and analytics solutions Complemented Thermo's acquisition of CRO provider PPD 	\$913	\$110	8.30x
 SIGNANT HEALTH	 dsg	Jul-23	<ul style="list-style-type: none"> eClinical solutions, including EDC, data mgmt. and services Represents Signant's first acquisition in nearly five years 	n/a	n/a	n/a
 ArisGlobal	 AMPLEXOR	Feb-23	<ul style="list-style-type: none"> Regulatory, quality, and safety software solutions Aris subsequently acquired SPORIFY (SPOR data solution) 	n/a	n/a	n/a
 THOMPSON STREET CAPITAL PARTNERS	 OpenClinica	Feb-23	<ul style="list-style-type: none"> eClinical solutions, including EDC, eConsent and ePRO OpenClinica had been used in +10K studies worldwide 	n/a	n/a	n/a
CERTARA ^o	 VYASA	Jan-23	<ul style="list-style-type: none"> Software for structured and unstructured bio-medical information Certara is integrating AI solutions across its product portfolio 	\$29	n/a	n/a
AmerisourceBergen	 PHARMALEX	Jan-23	<ul style="list-style-type: none"> Offers clinical development consulting & marketing authorization PharmaLex had previously acquired multiple software assets 	\$1,473	n/a	n/a (18-20x EBITDA)
 Paradigm	 deep lens	Jan-23	<ul style="list-style-type: none"> Patient recruitment technology company Provided oncology-focused solution to Paradigm 	n/a	n/a	n/a

Capital Raise / Minority Transactions

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Meaningful Investments Continue Across The Capital Stack

\$ in millions

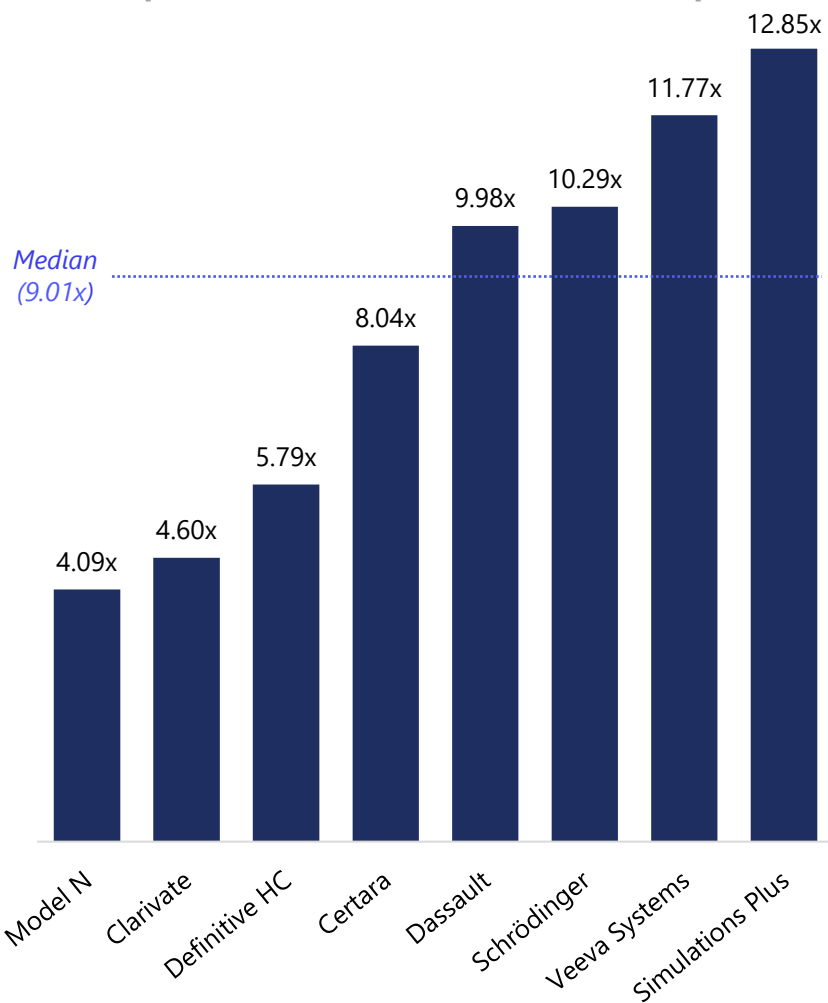
Investor(s)	Target	Date	Company Description & Deal Observations	Type	Est. Pre-Money	Raised ⁽¹⁾
 lightspeed	 Ketryx	Dec-23	<ul style="list-style-type: none"> Lifecycle management platform for medical applications Funds to further enable AI integration within their platform 	Early Stage / Venture	\$34	\$14
 SPRING LAKE EQUITY PARTNERS	 COGNITION	Sep-23	<ul style="list-style-type: none"> Life sciences product development and compliance solutions Spring Lake contributed \$5m, management the remaining \$1m 	Early Stage / Venture	n/a	\$6
 Bessemer Venture Partners	 muralhealth	Sep-23	<ul style="list-style-type: none"> Clinical trial participant management platform Co-founder Sam Whitaker previously founded Greenphire 	Early Stage / Venture	n/a	\$8
BERTELSMANN	 QUANTHEALTH	Aug-23	<ul style="list-style-type: none"> AI-based trial simulation software New funding will enable US-expansion and new executive hires 	Early Stage / Venture	n/a	\$15
CREANDUM	 Lindus Health	Aug-23	<ul style="list-style-type: none"> Tech-enabled CRO services Lindus delivered +80 clinical trials since inception two years ago 	Early Stage / Venture	n/a	\$18
MBX Capital	 macro	Jun-23	<ul style="list-style-type: none"> Precision research clinical platform for distributed trials Macro was launched out of the incubator INITIATE studios 	Early Stage / Venture	n/a	\$6
 FIRST LAUNCH CAPITAL FUND	 FUSE ONCOLOGY	Jun-23	<ul style="list-style-type: none"> Practice management software platform for radiation oncology This was a follow-on investment from First Capital 	Early Stage / Venture	n/a	\$9
BIP VENTURES	 KYTHERA	May-23	<ul style="list-style-type: none"> Healthcare data integration solutions Funding (equity & debt) will enable additional data partnerships 	Early Stage / Venture	\$1	\$11
 LBO FRANCE	 kayentis	Apr-23	<ul style="list-style-type: none"> Electronic clinical outcome assessment (eCOA) solutions Capital was comprised of \$2.3m in equity and \$3.1m in debt 	Growth / Recap	n/a	\$5
GENERAL CATALYST	 Paradigm	Jan-23	<ul style="list-style-type: none"> Trial matching technology The funding enabled their acquisition of Deep Lens 	Growth / Recap	n/a	\$203
 MassMutual	 Onc AI	Jan-23	<ul style="list-style-type: none"> Precision oncology clinical management platform Funding will support commercialization of their first product 	Early Stage / Venture	n/a	\$25
 SIXTH STREET	 MasterControl	Dec-22	<ul style="list-style-type: none"> Process, document, and quality management software solutions At +\$100m ARR the company has grown 25% YoY 	Growth / Recap	\$1,150	\$150
 DRAGONEER	 komodo	Dec-22	<ul style="list-style-type: none"> Healthcare mapping and intelligence solutions Komodo has gone through a restructuring and put off IPO plans 	Growth / Recap	n/a	\$200

Public Companies Trading Multiples

Life Sciences Software & Data and CROs & Services

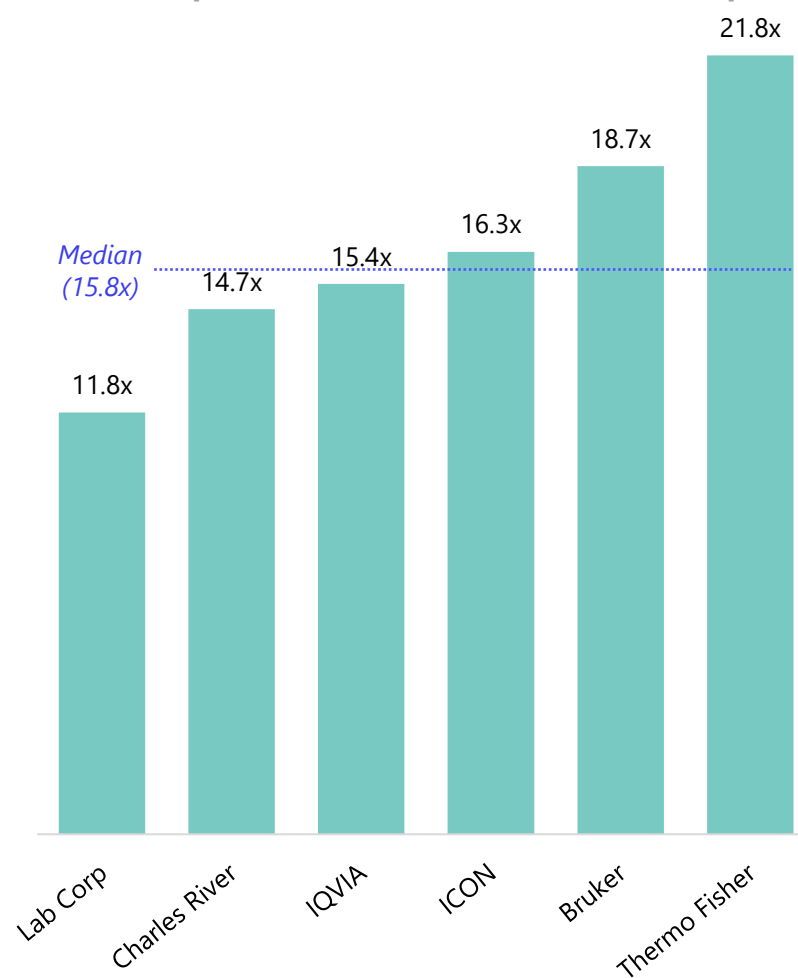
Life Sciences Software & Data

Enterprise Value / CY2023E Revenue Multiple



CROs & Life Sciences Services

Enterprise Value / CY2023E EBITDA Multiple



Note: Data is from S&P Capital IQ
 (1) Wall Street consensus estimates
 (2) Data as of 12/29/2023

Comparable Public Companies

Life Sciences Software & Data and CROs & Services Stats

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Company(1)	Share Price	Enterprise	Market	Revenue Metrics ⁽²⁾			Profitability Margins ⁽²⁾			EV / Revenue		EV / EBITDA ⁽³⁾	
	12/29/2023	Value	Cap	CY23E	CY24E	Y/Y	TTM GM	CY23E EBITDA	CY24E EBITDA	CY23E	CY24E	CY23E	CY24E
Life Sciences Software & Data													
Certara	\$17.59	\$2,837	\$2,812	\$353	\$368	4.3%	60.7%	34.8%	34.1%	8.04x	7.70x	23.1x	22.6x
Clarivate	\$9.26	\$12,092	\$6,148	\$2,629	\$2,694	2.5%	65.2%	42.3%	42.9%	4.60x	4.49x	10.9x	10.5x
Dassault Systèmes	\$48.89	\$64,377	\$64,765	\$6,452	\$7,137	10.6%	83.7%	36.3%	36.7%	9.98x	9.02x	27.5x	24.6x
Definitive Healthcare	\$9.94	\$1,457	\$1,156	\$251	\$274	8.9%	86.8%	29.5%	29.7%	5.79x	5.32x	19.7x	17.9x
Model N	\$26.93	\$1,034	\$1,044	\$253	\$268	6.2%	56.6%	6.1%	19.1%	4.09x	3.86x	n/m	20.2x
Schrödinger	\$35.80	\$2,272	\$2,647	\$221	\$312	41.1%	61.1%	n/a	n/a	10.29x	7.29x	n/m	n/m
Simulations Plus	\$44.75	\$797	\$912	\$62	\$70	12.4%	80.5%	28.4%	35.5%	12.85x	11.43x	45.3x	32.2x
Veeva Systems	\$192.52	\$27,516	\$31,401	\$2,337	\$2,718	16.3%	70.9%	35.4%	37.7%	11.77x	10.12x	33.3x	26.8x
Mean		\$14,048	\$13,860	\$1,570	\$1,730	12.8%	70.7%	30.4%	33.7%	8.43x	7.40x	26.6x	22.1x
Median		\$2,554	\$2,729	\$303	\$340	9.8%	68.1%	34.8%	35.5%	9.01x	7.50x	25.3x	22.6x
CROs & Life Sciences Services													
Bruker	\$73.48	\$11,104	\$10,216	\$2,903	\$3,114	7.3%	51.5%	20.5%	20.8%	3.83x	3.57x	18.7x	17.1x
Charles River Laboratories	\$236.40	\$14,950	\$12,155	\$4,107	\$4,254	3.6%	36.9%	24.8%	24.8%	3.64x	3.51x	14.7x	14.2x
ICON	\$283.07	\$27,344	\$23,462	\$8,148	\$8,709	6.9%	29.6%	20.6%	20.9%	3.36x	3.14x	16.3x	15.0x
IQVIA	\$231.38	\$54,743	\$42,227	\$14,902	\$15,595	4.6%	34.9%	23.9%	24.4%	3.67x	3.51x	15.4x	14.4x
Laboratory Corp Am Hldgs	\$227.29	\$25,032	\$19,316	\$12,198	\$12,475	2.3%	26.7%	17.4%	17.7%	2.05x	2.01x	11.8x	11.4x
Thermo Fisher	\$530.79	\$235,464	\$206,043	\$42,754	\$42,983	0.5%	40.0%	25.3%	25.4%	5.51x	5.48x	21.8x	21.6x
Mean		\$61,439	\$52,236	\$14,169	\$14,522	4.2%	36.6%	22.1%	22.3%	3.68x	3.54x	16.4x	15.6x
Median		\$26,188	\$21,389	\$10,173	\$10,592	4.1%	35.9%	22.2%	22.7%	3.66x	3.51x	15.8x	14.7x

Note: Data is from S&P Capital IQ

(1) Currency normalized to USD, on share price date

(2) Wall Street consensus estimates; GM = Gross Margin

(3) EV / Revenue and EV / EBITDA multiples in excess of 50.0x or less than 0.0x are considered not meaningful

Growth Stage

FOCUSED ON TRANSACTIONS WITH \$50-250 MILLION ENTERPRISE VALUE

220+

COMPLETED TRANSACTIONS

\$30+

BILLION IN DEAL VALUE

~25%

CROSS-BORDER DEALS

45%+

SPONSOR-BACKED CLIENTS

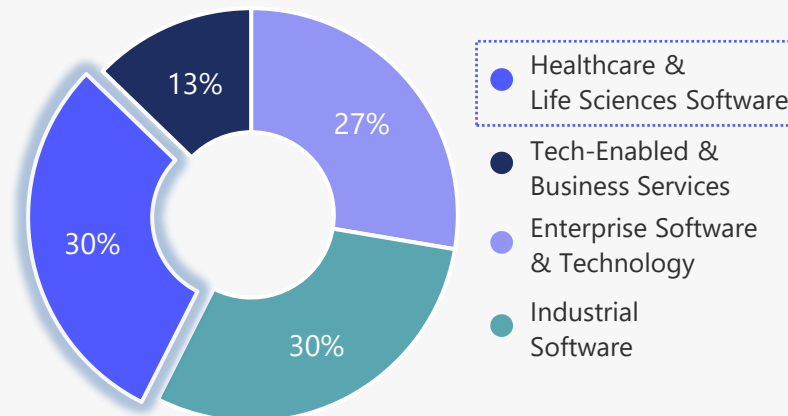
+96%

CLIENTS WITH MULTIPLE OFFERS

90%

SELL-SIDE & FUNDRAISING CLIENTS

Exceptional Outcomes in Our Technology Practice Areas ⁽¹⁾



(1) Based on completed deals since CY2017



FOCUS

We partner with global technology clients across North America and Europe



EXPERTISE

We specialize in impacting growth strategies to optimize shareholder value creation



STRATEGY

We marry thoughtful corporate strategy planning with stalwart transactional execution



RESOURCES

Domain experts with active relationships across +1,500 global investors