

## General Market Overview

### PUBLIC MARKETS

The downturn in both general markets and biotech continued during the second quarter of 2022, driven by recession fears and surging inflation. Although negative, biotech indices relatively outperformed general markets in the later part of Q2 2022 and the S&P pharmaceuticals select industry index, based on large pharmaceutical companies, outperformed both biotech and general markets (-6.6% YTD).

Index	Q2 2022	YTD
NYSE Arca Biotech	↓ -9%	↓ -16%
BC 100	↓ -8%	↓ -20%
NASDAQ Biotech	↓ -12%	↓ -21%
S&P 500	↓ -16%	↓ -21%
NASDAQ	↓ -22%	↓ -30%

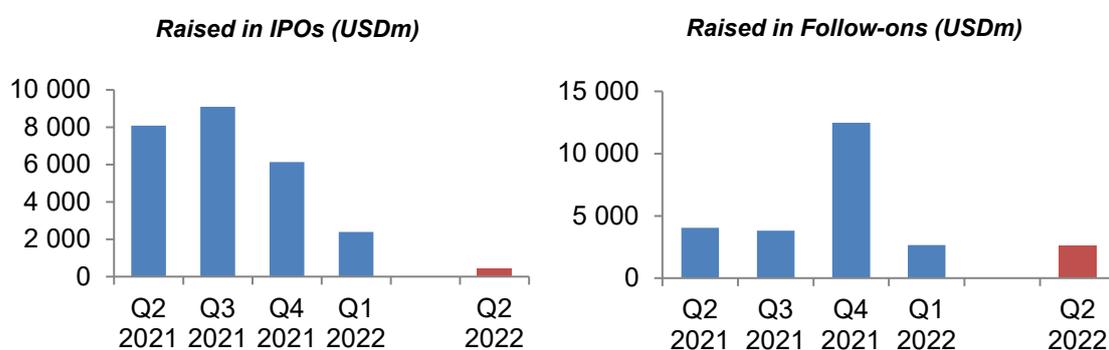
The downturn continued in Q2 2022 for both biotech and general markets

*Index performance. Source: BioCentury Financial Center*

HealthCap public portfolio company **Oncopptides** (STO:ONCO) saw its share price increase by 151% during the quarter following the (EMA) Committee for Medicinal Products for Human Use positive opinion recommending a full marketing authorization approval of Pepaxti® in the EU. **Vicore** (STO:VICO) has continued to perform well despite the negative market trends, with a share price increase of 90% during the year following **Vicore's** interim phase II data showing an unprecedented improvement of lung function in IPF patients. **Bonesupport** (STO:BONEX) turned up 50% during the quarter after the FDA market authorization for the company's antibiotic eluting product CERAMENT G, for the indication bone infection (osteomyelitis).

### FINANCINGS AND DEALS

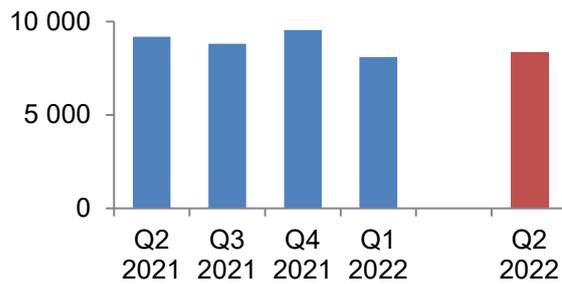
IPOs were down to five financings for Q2 2022 raising a combined USD 487.5 million, compared to 60 companies and USD 8.1 billion in Q2 2021 according to the BioCentury BCIQ database. Follow-on financings similarly decreased after the peak in Q4 2021 but remained in line with the first quarter of 2022. The number of biotechs with at least two years of cash reserves is estimated to 35% by BioCentury, compared to 50% in the end of 2021.



*Biotech IPO and Follow-on financings, by quarter. Source: BioCentury Financial Center*

IPO financings were 95% lower than the corresponding quarter in 2021.

### Raised in Venture financings (USDm)



Venture financing levels remained stable in Q2, continuing in line with last year

Biotech venture financings, by quarter. Source: BioCentury Financial Center

### M&A ACTIVITIES

M&A activity picked up during the quarter with an increasing number of small takeouts at lower valuations and a total of 49 deals. The highest value deal was **Pfizer's** (NASDAQ:PFE) acquisition of **Biohaven Pharmaceuticals** (NASDAQ:BHVN) for USD 11.6 billion. Pfizer's interest in Biohaven is centered on migraine assets, creating the foundation of a new migraine franchise for Pfizer. Another notable deal was **Bristol Myers Squibb Co's**. (NYSE:BMJ) acquisition of the precision oncology company **Turning Point Therapeutics Inc.** (NASDAQ:TPTX) for USD 4.1 billion. Turning Point Therapeutics' lead asset is a late stage next-generation tyrosine kinase inhibitor.

M&A deals in late-stage assets are thought to be the primary target for large pharma given the current market environment and commercial stage companies are likely to lead a recovery.