



## UK Life Sciences and Healthcare Newsletter

December 2020

### Legal Updates: Hot Topics



#### The UK National Security and Investment Bill

Alec Burnside, Marjolein De Backer, Adam Kidane, Michael Okkonen and Delphine Strohl share an update in relation to the UK National Security and Investment Bill and its key provisions to screen transactions for national security risk. The Bill has been in the pipeline since the publication of the National Security Risk Assessment in 2015, but has been delayed due to Brexit and the COVID-19 pandemic.

[Read more »](#)



#### A Brief Update on the EMI Scheme

Daniel Hawthorne shares an update on the Enterprise Management Incentive (EMI) scheme, the preferred form of incentive for eligible early and mid-stage UK-based life science and healthcare companies. The article answers questions on how the scheme is impacted by Brexit and the COVID-19 pandemic.

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### Guest Contributor

This month's guest contributor is Kevin Cox. Kevin is the Executive Chairman of Biotaspheric Limited. Kevin has over 25 years' experience in the life science industry. Serving as CEO of high growth biotechnology businesses, he has extensive experience in strategy, corporate development, M&A, financing and joint ventures. With a passion for improving translational science, Kevin has strong links to government, funding bodies and academia, and has contributed to a number of public sector advisory committees. Kevin currently has non-executive roles with Biorelate Limited, ValiRx PLC and the British Neuroscience Association.



#### Antimicrobial Resistance (AMR) – A Personal Perspective

Kevin Cox reflects on the growing issue of antimicrobial resistance, its impact and why it exists, its relation to COVID-19 and how to combat it going forward.

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### Notable Dechert-led Transactions:

Notwithstanding the impact of the COVID-19 pandemic, Dechert has recently been involved in advising on a number of significant Life Sciences transactions, including advising:

- **Abivax S.A.**, a Euronext-listed French biotechnology company, on its €28 million capital increase.
- **AlgoTherapeutix**, a European innovator in complex pain therapy, on its €12 million Series A financing round.
- **Aquestive Therapeutics Inc.**, on its royalty monetization agreement with Marathon Asset Management, a leading global investment firm.
- **Cerberus Capital Management**, on the acquisition by one of its affiliates of National Dentex Labs, the largest network of fully-owned dental labs in the United States.

- **Morgan Stanley Capital Partners**, on the acquisition of U.S. HealthConnect, Inc., a developer and distributor of educational programming to healthcare professionals across the pharmaceutical, biotechnology, device and diagnostics industries.
  - **Ridgemont Equity Partners**, on the acquisition of Anne Arundel Dermatology Management, a leading provider of medical, surgical and cosmetic dermatological services in the Mid-Atlantic and Southeastern States.
  - **Royalty Pharma plc**, on its acquisition of the residual royalty interest in Vertex Pharmaceuticals, Inc.'s cystic fibrosis treatments owned by the Cystic Fibrosis Foundation.
  - **UPMC Enterprises** and **4Bio Capital** as investors on its Series A2 investment in SpringVision, a French biotechnology company.
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#### Recognition:

- *Law360* has named Dechert “Life Sciences Practice Group of the Year”. [Click here for details.](#)
  - Dechert's Paris Life Sciences team has been recognized for its excellence by *Décideurs* in its 2020 Life Sciences rankings for France. The team was ranked in seven different categories including leading practice for Capital, Joint venture and Corporate Transactions in Health, Pharma & Biotechnology.
  - Dechert's Philadelphia-based associate Kate Unger Davis has been named a “Young Lawyer of the Year” by *The American Lawyer* in its Industry Awards 2020. She is one of just five lawyers named to the national list. [Click here for details.](#)
  - German legal publication *JUVE* has recommended Dechert across key practice areas in Germany, including M&A, Private Equity Transactions (Mid-Cap) and Venture Capital. [Click here for details.](#)
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#### Knowledge:

- **U.S. Warns of Increased Risk of Ransomware Attacks Targeting the Healthcare Industry:** Written by Dechert's global Privacy & Cybersecurity practice, this Dechert Newsflash examines how healthcare companies should be aware of the heightened risk of potential ransomware attacks targeting the sector, as well as some practical steps that can be taken to decrease the risk of attack.
  - **PTAB Mylan Decision Could Be Boon To Drug Innovators:** In this article published by *Law360*, Dechert IP and litigation partner Katherine A. (Kassie) Helm, Ph.D. and associate Blaine Hackman, Ph.D., along with Mark J. Stewart, Ph.D., senior director and assistant general patent counsel at Eli Lilly & Co., discuss the Patent Trial and Appeal Board (PTAB)'s discretionary denial of Mylan's IPR petition in *Mylan v. Janssen*.
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#### Events:

- **25th Annual Conference on Drug & Medical Device Litigation, 8 – 9 December 2020:** This virtual conference is designed for masters-level strategy sharing and bringing together hundreds of industry leaders each year from both in-house, private practice and government. It's an invaluable forum in gaining essential winning life sciences and product liability litigation strategies.
  - **JP Morgan Annual Healthcare Conference, 11 – 14 January 2021:** The annual J.P. Morgan Healthcare Conference is the largest and most informative healthcare investment symposium in the industry, bringing together industry leaders, emerging fast-growth companies, innovative technology creators and members of the investment community. Please note that J.P. Morgan events are by invitation only.
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#### Regulatory Updates:

- **Medicines and Medical Devices Bill (MMDB)** – The MMDB is intended to act as the primary UK legislation specifying powers that would enable the regulatory regimes for human medicines, clinical trials, veterinary medicines and medical devices to be updated by way of delegated legislation at the end of the EU Exit Transition Period (currently 31 December 2020). A date is yet to be announced for the bill to enter the Report stage in the House of Lords.
  - **Medicines and Healthcare products Regulatory Agency (MHRA) Brexit Update** – On 1 September 2020, MHRA published new guidance on the regulation of medical devices in the UK. From 1 January 2021, manufacturers or suppliers of medical devices to the UK will need to register their devices with the MHRA. After 30 June 2023, manufacturers and suppliers must have obtained the UK conformity assessment and UK Conformity Assessed (**UKCA**) mark for medical devices marketed in the UK.
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#### Market News:

Recent notable industry transactions.

- The Alan Turing Institute, the Royal Statistical Society and the UK Department of Health and Social Care's Joint Biosecurity Centre finalised a partnership agreement in relation to the provision of statistical modelling and machine learning expertise in support of the UK Government's COVID-19 strategy.

- Bayer announced its acquisition of Asklepios BioPharmaceutical, a clinical-stage gene therapy company, with a potential transaction value of up to US\$4 billion.
- Thrive Earlier Detection Corp., a healthcare company, announced its acquisition of Exact Sciences, a leader in blood-based, multi-cancer screening, with a potential transaction value of up to US\$2.15 billion.
- EQRx and CStone agreed a licencing arrangement whereby EQRx will have the right to develop and commercialise certain late-stage immuno-oncology assets, including an upfront payment to CStone of US\$150 million and up to US\$1.15 billion potentially payable in respect of milestone payments.
- The formation of Viatris, by the combination of Mylan and Upjohn (a legacy off-patent branded and generic established medicines business division of Pfizer), was completed following final clearances being obtained, creating a new global pharmaceutical company.
- AstraZeneca sold the commercial rights to Atacand and Atacand Plus (medicines to treat heart failure and hypertension) to Cheplapharm Arzneimittel GmbH for £400 million.
- BioSpecifics Technologies Corp. announced a merger under which Endo International plc will acquire BioSpecifics for an estimated value of around US\$658 million.
- Merck announced its proposed acquisitions of: (i) VelosBio, a clinical-stage biopharmaceutical company developing cancer therapies, for around US\$2.75 billion in cash and (ii) Oncolmmune, clinical-stage biopharmaceutical company, for an upfront payment of US\$425 million.
- Emisphere Technologies, Inc. announced that it has entered into an agreement with Novo Nordisk A/S, pursuant to which Novo Nordisk will acquire Emisphere. As part of the transaction, Novo Nordisk entered into an agreement to acquire related royalty stream obligations owed to affiliates of MHR Fund Management LLC for US\$450 million. The acquisition of the royalty stream and the merger with Emisphere will occur simultaneously.
- Pfizer and BioNTech SE announced that they have reached an agreement with the EU to supply 200 million doses of their COVID-19 mRNA-based vaccine candidate, with an option to request an additional 100 million doses. Deliveries are anticipated to start by the end of 2020, subject to clinical success and regulatory authorisation. The EU will also approve a new contract to buy up to 160 million doses of Moderna's vaccine candidate against COVID-19.
- The acquisition of MyoKardia, Inc by Bristol Myers Squibb was completed, with a deal value of around US\$13 billion.

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