



UK Life Sciences and Healthcare Newsletter

May 2021

Legal Updates: Hot Topics



COVID-19 Collaborations and EU Competition Law Compliance

In this article, Marjolein De Backer discusses the public confirmation by the European Commission's antitrust arm, DG COMP, that a COVID-19 initiative among pharmaceutical companies is compliant with EU antitrust laws.

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Equity Incentives: Single and Double Trigger Vesting

Thomas Clarke and Anthony Frost share an update on equity incentives in venture capital backed companies in the life sciences and health care sectors in the UK, discussing the impact of single and double trigger vesting.

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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:

- **Antios Therapeutics, Inc.** on the successful completion of a US\$96 million Series B financing.
 - **Karista**, an early-stage venture capital firm that specializes in healthcare, digital and deeptech, in connection with its investment in MyPL - My Personal Lifescope, a French e-health software platform.
 - **Kurma Partners, BNP Paribas Développement** and **Bpifrance** through its fund Patient Autonomy, in their investment of a total amount of €4 million in Mila, a French company developing digital therapeutic solutions which tap into links between music and children's cognitive developments.
 - **National Dentex Labs (NDX)**, a portfolio company of funds affiliated with Cerberus Capital Management, L.P. ("Cerberus"), in NDX's acquisition of Dental Services Group, a growing network of dental laboratories across North America.
 - **Olgram**, a French biotech company that develops algae-based anti-infectives, in connection with its €1.5 million fundraising.
 - **Pharmakon Advisors LP**, on intellectual property due diligence for a US\$300 million definitive senior secured loan agreement with LumiraDx Investment Limited, a UK-based diagnostics technology company.
 - **Quest Diagnostics**, in the sale of its ownership interest in Q2 Solutions, a global leader in central laboratory services to support clinical trials of new pharmaceuticals, to IQVIA for \$760 million in an all cash transaction.
 - **Royalty Pharma plc**, on IP-related matters in its acquisition of a royalty interest in the cabozantinib products Cabometyx and Cometriq from GlaxoSmithKline (GSK).
 - **Virbac**, a French pharmaceutical group dedicated to animal health, in connection with its acquisition of certain assets and research programs from Elanco Animal Health Inc, a U.S. animal health pharmaceutical company.
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Team News:

- Dechert life sciences lawyer Katherine A. Helm (NY) has been appointed to *Law360's* 2021 Editorial Boards. Her role is to advise *Law360* on content and thought leadership themes within the life sciences

sector.

Events:

- **US Pharma and Biotech Summit, 5 – 6 May:** Two-day summit of live panel discussions and keynote interviews with senior industry executives, investors and thought leaders exploring the latest trends in areas like drug development, market access, supply chains and health policy.
 - **BioEquity Europe, 17 – 19 May:** Europe's premier international showcase for financial dealmakers and biopharma executives to meet rising biotechs.
 - **EU Pharmaceutical Law Forum, 17 – 20 May:** Dechert is sponsoring and speaking at this year's forum, the go to EU Pharmaceutical Law conference for in-house and external lawyers.
 - **SAVE THE DATE: Dechert Healthcare Deals Conference 2021, 23 September:** This one-day event will bring together senior pharma, biotech, PE and VC leaders across the life sciences and healthcare industry to network and share their outlook on trends and opportunities across the sector.
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Regulatory Updates:

- **UK government launches Medicines and Diagnostics Manufacturing Transformation Fund**

On 7 April 2021, the UK government launched the Medicines and Diagnostics Manufacturing Transformation Fund (together with a supporting guidance document). The purpose of the new £20 million fund is to increase the production of medicines and diagnostic equipment within the UK. From 7 April 2021 to 30 June 2021, private sector manufacturers may apply for capital grants to support the development of such UK-based operations. The government encourages applications from those who intend to improve the UK's "health resilience" or who use innovative technologies to increase productivity or lessen environmental burdens. A threshold eligibility requirement is that the applicant must defray at least the equivalent amount of grant funding applied for prior to March 2022.

- **Department of Health and Social Care's update on post-Brexit medicines and medical devices supply**

On 30 March 2021, the Chief Commercial Officer of the Department of Health and Social Care ("DHSC") wrote to all suppliers of medicines and medical devices in the UK with an update on the Brexit contingency plans implemented in November 2020. The letter contains information on the following non-exhaustive matters:

- **The ongoing effect of COVID-19** – DHSC requested that (i) NHS Supply Chain maintain contingency stock for medical devices and clinical consumables, and (ii) suppliers ensure that their supply chains are resilient and that they have alternative logistics plans in place.
 - **Import controls** – these will be phased-in from 1 October 2021 and 1 January 2022 and will impose new sanitary and phytosanitary import requirements.
 - **Medical devices** – from 26 May 2021, suppliers to Northern Ireland of medical devices must ensure compliance (as applicable) with the Medical Devices Regulation ((EU) 2017/745).
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Market News:

Recent notable industry transactions.

- Sanofi has acquired Tidal Therapeutics, a pre-clinical stage biotech company with a novel mRNA-based approach for in vivo reprogramming of immune cells for an upfront payment of US\$160 million, with an additional potential milestone payment of up to US\$310 million.
- Hologic, Inc signed a definitive agreement to acquire Mobidiag Oy, a Finnish-French developer of innovative molecular diagnostic tests, for approximately US\$795 million.
- Sanofi acquired Kymab for an upfront payment of approximately US\$1.1 billion, with an additional potential milestone payment of up to US\$350 million. The acquisition added KY1005 to Sanofi's pipeline, a fully human monoclonal antibody targeting key immune system regulator OX40L.
- Grifols SA acquired seven US plasma donation centres from Kedrion SpA for US\$55.2 million, which reflects its commitment to enlarge its plasma supply.
- Merck has successfully completed on its cash tender offer for all of the outstanding shares of common stock of Pandion Therapeutics, Inc, a clinical-stage biotechnology company developing novel therapeutics for autoimmune diseases, for approximately US\$1.85 billion.
- Servier announced its acquisition of Agios Pharmaceuticals' commercial, clinical, and research-stage oncology portfolio for up to US\$2 billion plus royalties.
- Amgen Inc. has agreed to acquire Rodeo Therapeutics Corporation, a Seattle based biopharmaceutical company that develops small-molecule therapies to promote regeneration of multiple tissues, for an upfront payment of US\$55 million, with additional potential milestone payments of up to US\$666 million.
- Charles River Laboratories announced its acquisition of Cognate BioServices, a cell and gene therapy contract development and manufacturing organisation, for approximately US\$875 million, subject to

closing adjustments.

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