

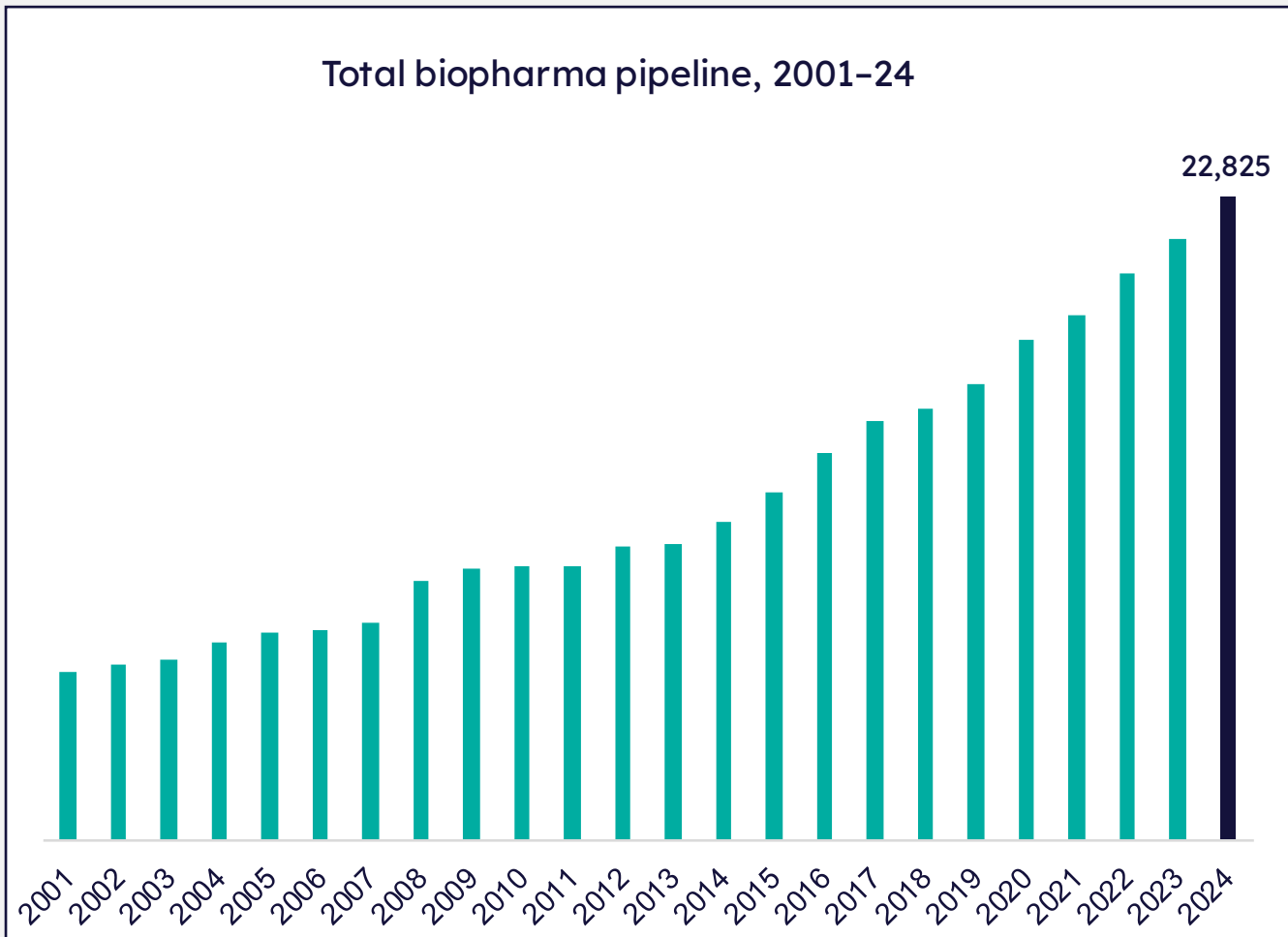
Ingredients for a Deal-rich Year



What's the recipe for a deal-rich year in global biopharma R&D? A dash of growth, a generous amount of mid-size expansion, equal portions of internal and external innovation, and a pinch of positivity.

Global Biopharma R&D Pipeline

Total size has grown by 7.2%; 22,825 drugs under development

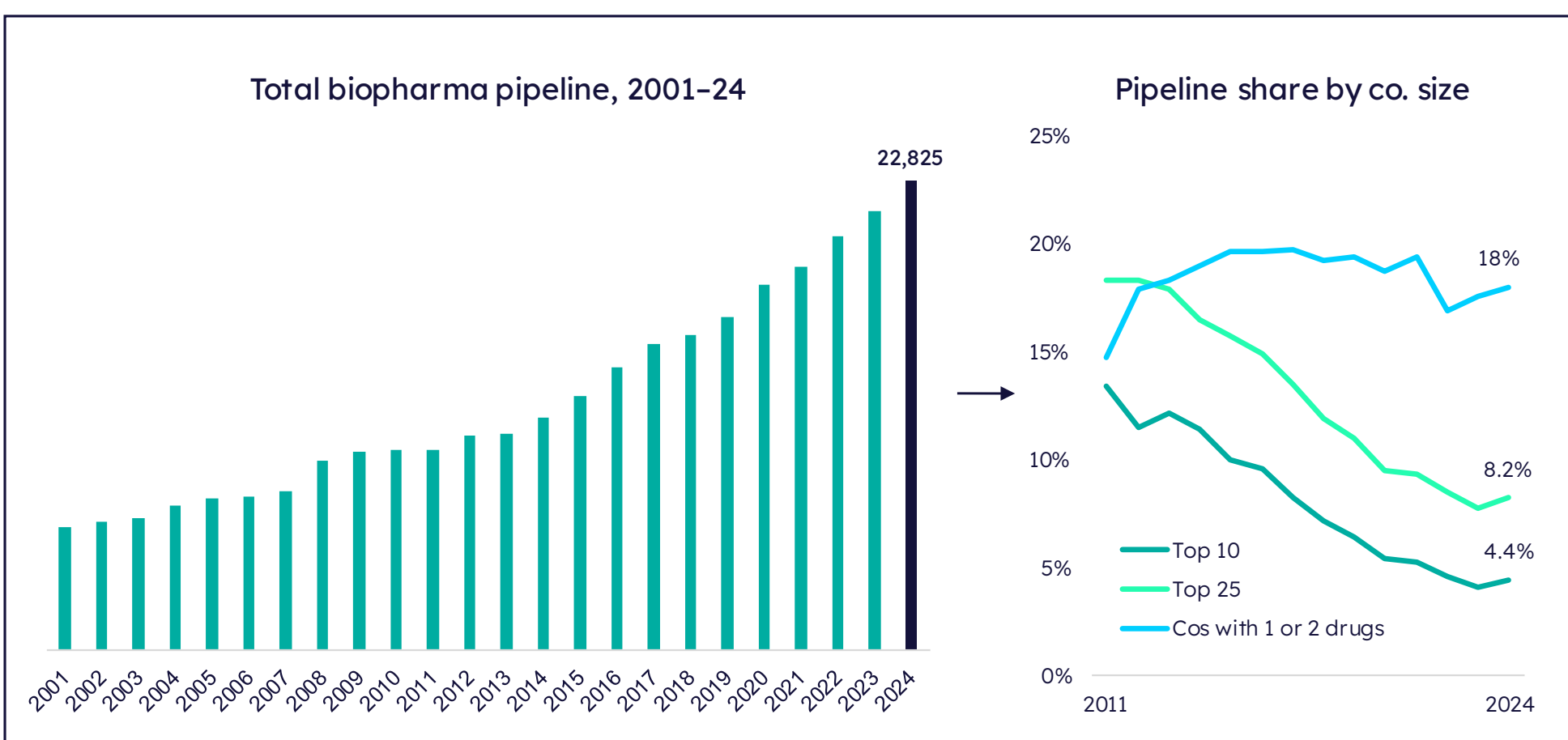


Source: Citeline, Pharmaprojects, Pharma R&D Annual Review 2024

- Biopharma R&D continues its rise
- Considerable attrition within pipeline as it renews
- R&D universe breaks 6,000-company threshold

Global Biopharma R&D Pipeline

Large pharma share diminishes; expansion driven by mid-size companies

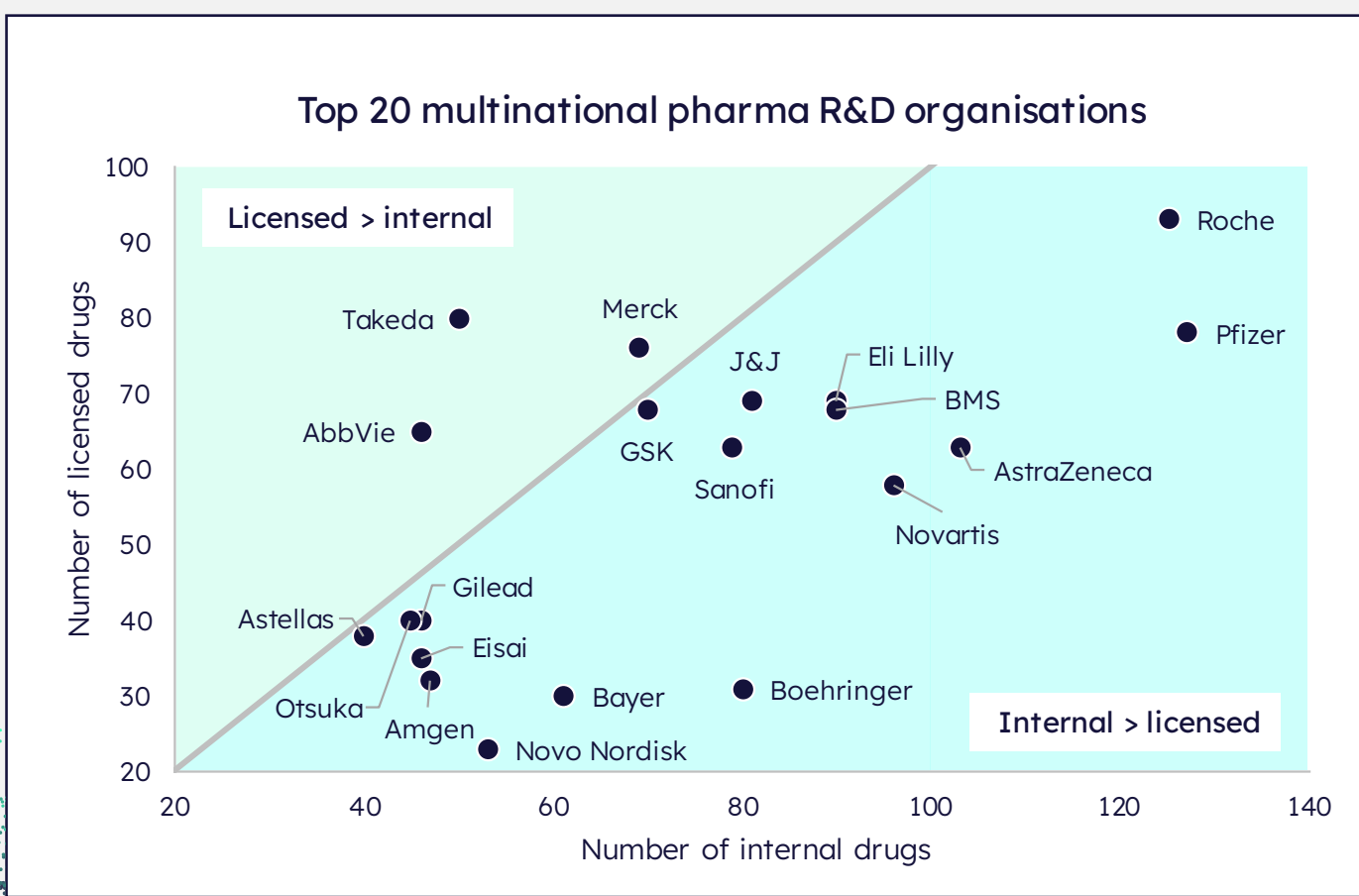


Source: Citeline, Pharmaprojects, Pharma R&D Annual Review 2024

Large Pharma R&D Strategy

Portfolios generally align to 50:50 internal vs. external innovation

- Majority of big pharmas are well balanced with external innovation
- The largest pipelines generally require the largest internal R&D capabilities

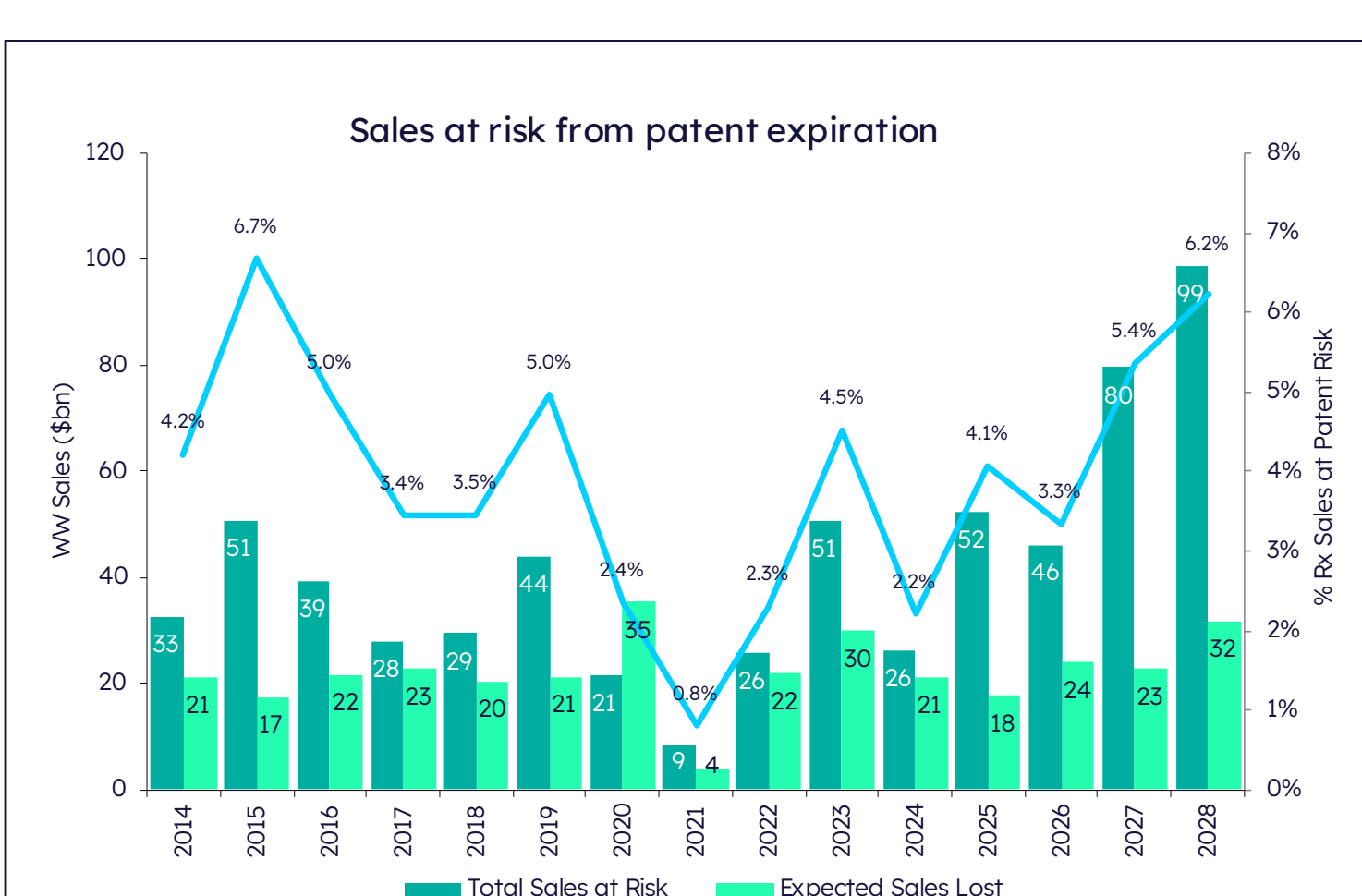


Source: Citeline, Pharmaprojects, Pharma R&D Annual Review 2024

Note: Includes disclosed preclinical drugs

Industry Patent Cliff and Growth Gap

More than \$200bn of industry revenues entering loss of exclusivity crosshairs



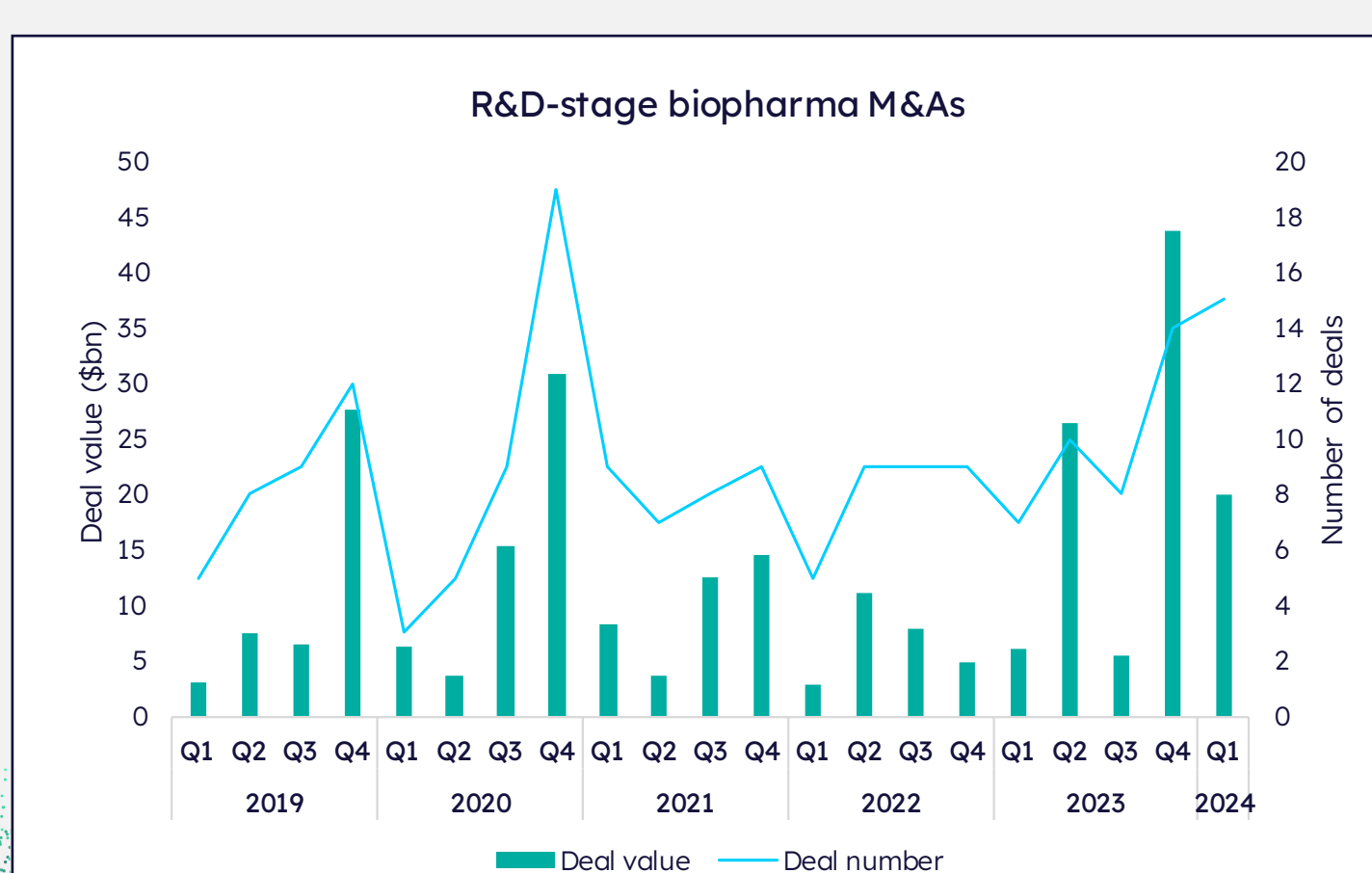
Source: Evaluate, World Preview 2023

- Significant patent cliff approaching
- Business development critical to replace lost revenues

M&A Activity

Last 12 months show almost \$100bn in R&D-stage biopharma acquisitions

- Bolt-on acquisitions of R&D-stage biotech have become essential
- Financial firepower remains at record levels



Source: Citeline, Biomedtracker, EY M&A Firepower Report 2024; SVB Healthcare Industry Trends 2023 Annual Report

Note: Clinical-stage asset-driven acquisition deals >\$100m only

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