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In Vivo's Deals Of The Month, July 2016

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In Vivo's editors pick July's most significant deals, including corporate VC backing for Akili and LabCorp's expansion in women's health. (Article free with registration.)

Top Alliance: Moderna Signs CF Partnership With Vertex

[*Moderna Therapeutics LLC*](#) signaled a shift for its collaborative strategy by signing a three-year collaboration and licensing agreement with [*Vertex Pharmaceuticals Inc.*](#) to develop a cystic fibrosis therapy based on the private biotechnology firm's messenger RNA (mRNA)-based drug development technology.

The agreement with Vertex, a dominant player in the field of novel CF therapeutics, gives Moderna \$40 million up front (half cash, half equity) and up to \$275 million in milestone fees and takes the company into new territory in multiple ways. [\[See Deal\]](#) Moderna will test its mRNA technology in a new organ system with a novel delivery route, but equally important is the Vertex deal's focus on developing a single drug candidate – something that Moderna CEO Stephane Bancel expects his company to do more often.

Moderna and Vertex will discover and develop a therapy that will deliver mRNA that should enable cells in the lungs to produce functional copies of the cystic fibrosis transmembrane conductance regulator (CFTR) protein. The partners will explore pulmonary delivery of the therapeutic, leveraging Moderna's mRNA platform and delivery expertise along with Vertex's scientific experience in CF biology, functional understanding of CFTR, and the public company's proprietary assay platform that uses human bronchial epithelial cells associated with various CF gene mutations.

Top Financing: Corporate Venture Bolsters Akili's Series B

Digital medicines company [*Akili Interactive Labs Inc.*](#) has secured an additional \$11.9 million in Series B funding via from new investors Merck Ventures BV, a subsidiary of [*Merck KGAA*](#), and Amgen Ventures, the venture arm of [*Amgen Inc.*](#) Earlier this year, Akili raised \$30.5 million from

investors including JAZZ Venture Partners, Canepa Advanced Healthcare Fund and PureTech Health, bringing the Series B total to 42.4 million. [\[See Deal\]](#)

Founded by digital health company PureTech and neuroscientists from the [University of California, San Francisco](#), Akili is developing a clinically validated digital device for cognitive assessment and personalized treatment in the form of an action video game, Project: EVO. Although designed as a medical device and proposed as a treatment for those with cognitive issues, the platform will feel just like an action video game for those who use it. It targets the region of the brain linked to executive functions including attention, problem-solving and working memory. Project: EVO has been through 10 clinical trials and currently the Project: EVO ADHD product is in a Phase III multicenter RCT for ADHD.

Top M&A: LabCorp Strengthens Women's Health Offering With Sequenom Buy

[Laboratory Corp. of America Holdings](#) is acquiring noninvasive prenatal testing specialist [Sequenom Inc.](#) in an all-cash deal. LabCorp described the transaction as "highly strategic," enabling it to broaden out its test offerings in women's health and expand its geographic reach, among other things. Under the terms of the agreement, LabCorp would acquire all outstanding shares of Sequenom in a cash tender offer for \$2.40 per share, equivalent to an equity value of \$302 million. Including Sequenom's net debt, the offer price represents a total enterprise value of \$371 million. The deal is expected to close by the end of the year.

Sequenom is a pioneer in NIPT, tests for detecting chromosomal abnormalities in the fetus using maternal blood samples. It made its mark as the first laboratory to offer a clinically validated NIPT test, MaterniT 21, and has performed more than half a million tests to date. Its portfolio currently includes four NIPT tests, as well as products for preconception and prenatal carrier screening, and a prenatal diagnostic.

LabCorp is not completely new to the NIPT market. It used to offer [Roche's](#) *Harmony* NIPT (gained through the Swiss firm's acquisition of Ariosa Diagnostics). LabCorp then launched in 2014 its own prenatal test, *InformaSeq*, based on [Illumina Inc.](#)'s *Verifi* test.