

News Alert

January 9, 2023



Aescap's Albireo acquired for 84% premium + 44% via CVR

We are reporting to you from the JPMorgan conference in San Francisco where Ipsen and our portfolio company Albireo announced that Ipsen has made an offer to acquire Albireo for \$42 per share plus \$10 upon a milestone expected to be reached in about 2 years' time. The shares of Albireo are currently trading up around +95% pre-market.

The share price of Albireo closed at \$22.82 last Friday and at that share price Albireo makes up around 5% of our assets under management in Aescap Life Sciences. The direct premium paid by Ipsen is 84%, plus 44% upon the milestone, being the approval of Albireo's medicine Bylvay for a disease known as biliary atresia.

The amount Ipsen is paying is \$952 million plus potentially \$417 million. The \$417 million consists of a contingent value right (CVR) of \$10 per share. Each CVR will entitle its holder to deferred cash payments of \$10.00 per CVR payable upon the FDA approval of Bylvay in the Biliary Atresia indication. This potential approval is expected in the year 2025.

Albireo specializes in developing novel medicines for pediatric and adult liver diseases. Albireo's lead medicine, Bylvay, is approved in the US and in Europe to treat patients three months of age and older affected by a rare disease known as progressive familial intrahepatic cholestasis (PFIC). Pruritus is one of the symptoms that most affects the quality of life of these patients, and most of them eventually develop liver failure.

Albireo announced in December 2022 that it filed for approval of Bylvay in the E.U. and the U.S. for the treatment of another disease, Alagille syndrome (ALGS). ALGS is a rare, genetic disorder that can affect multiple organ systems, including the liver, that can potentially lead to liver failure and death.

Furthermore, Bylvay is in phase-3 development for biliary atresia (BA), a rare bile duct disease that affects newborns. The only current therapeutic approach is a surgical procedure, after which however still a large proportion of these infants develop liver failure. Biliary Atresia is the leading cause of liver transplantation among children. Bylvay holds great promise to improve the outcome for these patients.

We are pleased to see the value we saw in Albireo be recognized with this acquisition. This is just another example of how M&A activity is picking up in our industry, which in turn increases the appetite for more biotech investments for investors.

Best regards on behalf of the Aescap team,

Patrick J. H. Krol
Portfolio Manager Aescap