

To: Denove Inc.

From: Rockwall Analytics

Subject: Project Reno - INVESTMENT BANKING

Date: December 6, 2020

THE OVERVIEW

The transaction, Review the customer agreement, Offer shareholder advice, Negotiate the transaction



Denove Inc.
biopharmaceutical

The Non-Disclosure Agreement

A high-stakes M&A transaction, review an NDA and prepare our client's negotiating position on key drafting changes

Background Story

WHO IS OUR CLIENT?

We act for Denove Inc. (Denove)

Denove, is a biopharmaceutical company incorporated in the state of Delaware. It has developed an innovative drug to combat *renal cell cancer*. The drug is in Phase III trials with the Food and Drugs Administration (FDA). The results of the Phase II and Phase III trials to date is promising – 28% of patients treated with the drug show a minimum 38% shrinkage of targeted lesions

DENOVE IS CONSIDERING BEING ACQUIRED (IN ANTICIPATION OF OBTAINING FDA APPROVAL TO COMMERCIALIZE THE DRUG IN THE NEAR FUTURE)

Sano Inc. (Sano) is a large pharmaceutical company incorporated in the state of Delaware, and whose common stock is publicly listed on the NYSE (New York Stock Exchange). Sano has grown its market capitalization to USD60 billion through aggressive and strategic M&A activity over the last decade. As part of Sano's long-term strategy, Sano is looking to build a compelling portfolio of oncology drugs, with a particular focus on *renal cell cancer* drugs. It has approached Denove and expressed interest in acquiring it for cash

RECENT HISTORY

Denove has agreed to enter into discussions with Sano regarding a potential acquisition. Before negotiations commence, *Rockwall Analytics* sent Sano's advisors an initial draft of a NDA (non-disclosure agreement). A few days later, we received the following reply from Sano's advisors:

Abstract

'Hi Samira,

We've had an opportunity to review the NDA – thank you for sending it through. Please find attached our revised version of the NDA (our changes are in redline). Please let us know if you have any comments on our changes. We look forward to finalizing this document shortly

*Best,
Sano's advisors*

Samira leaves Rihad the following voicemail below asking to assist on the negotiation and finalization of the NDA consistent with the instructions provided below

Abstract

Hi Rihad,

Thanks for offering to help on Project Reno. As I mentioned, we recently sent an NDA to Sano's advisors to sign before Denove commence negotiations. I'd like you to take a look at some excerpts of the NDA (amended by Sano's' advisors) and create an issues list. The issues list should set out what Denove original position was, what the effect of the amended drafting is, and its initial recommendations for how we should respond. Kindly, review these changes and consider which changes to accept and which changes to push back on. The client is looking to wrap this up as quickly as possible, so try to be reasonable in your suggestions. [To help get you started, I'm sending you a form of issues list that I like, and populated the first row, to give you a sense of how I tend to like these to look]

Please let me know if you have any queries'

Best,
Samira

OUR TASK

Complete an issues list, in table format (using the template issues list which Samira has send us)

- Our original drafting positions
- The revised drafting positions (as proposed by Sano's advisors)
- A recommended response (incl. why *Rockwall Analytics* would make that recommendation)