



# Concentra makes bid for struggling biotech Rain

The proposal from Concentra, which earlier this year bought Jounce Therapeutics, offers to buy Rain for \$1.25 per share plus a contingent value right.

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*The takeover offer comes after a sharp decline in Rain's stock price. Stock via Getty Images*

Biotechnology company Rain Oncology disclosed Monday that it has received a buyout offer from Concentra Biosciences, via Concentra's owner Tang Capital.

Concentra's bid, filed Friday, proposes to acquire all outstanding shares from Rain for \$1.25 per share, plus a type of security known as a contingent value right that promises Rain shareholders 80% of the proceeds from any license or sale of the company's programs.

Rain said its board of directors will review the proposal.

The cancer-focused biotech has struggled to maintain its footing this year following a clinical trial setback. In May, the company announced plans to cut 65% of its workforce as well as pare back development of its lead drug candidate, milademetan, after it failed in Phase 3 testing. At the same time, Rain's co-founder and chief scientific officer, Robert Doebele, took over the chief medical officer role in place of Richard Bryce.

Rain shares dropped sharply following the news.

Concentra's unsolicited buyout bid mirrors other attempts by it to take over struggling biotechs this year. In March, the company proposed to acquire Jounce Therapeutics, luring that drugmaker away from its plans to reverse merge with Redx Pharma. Concentra, which had owned a minority stake in Jounce, agreed to buy the rest for \$1.80 a share in cash plus a CVR.

Concentra tried to do the same with Boston-based Atea Pharmaceuticals, but had its proposal spurned by Atea, which said the deal "fundamentally undervalue[d] the company." Concentra had offered to pay Atea's stockholders \$5.75 per share as well as 80% of the proceeds from any sale or license of its programs.

Concentra previously held a 14.1% stake in Rain and recently took that stake up to 14.6%, according to a securities filing.

"We believe that our proposal represents a compelling offer for Rain Oncology stockholders," wrote Concentra CEO Kevin Tang, in a letter detailing the proposed bid, which will expire on Oct. 20.

Rain shares rose by 5% Monday morning to trade around \$1 per share.