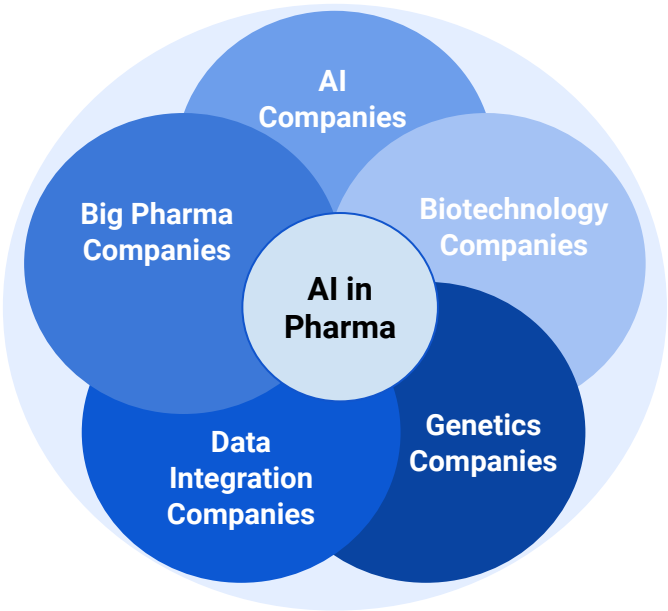
Investment Digest
Q3 2021 Overview of Pharmaceutical AI Sector

DEEP PHARMA INTELLIGENCE

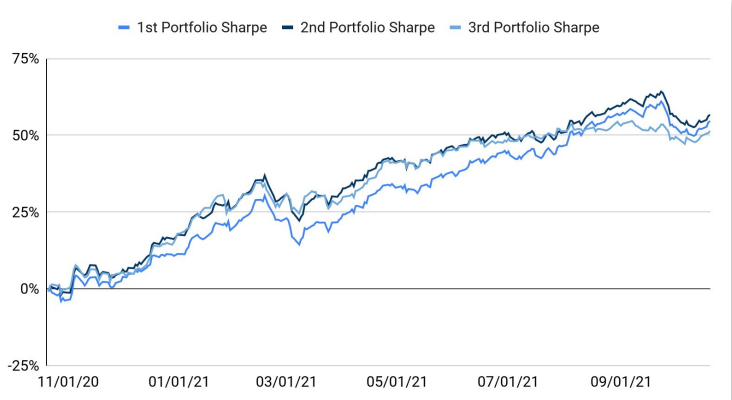
InvestTech Advanced Solutions

This Investment Digest is summarizing key players and observations in the private equity and venture capital ecosystem, focusing on the pharmaceutical artificial intelligence (AI), as well as the market behaviour of the top public companies. The Digest summarizes information about key industry trends, 470 promising AI-driven biotech startups, and 50 leading biotech investors in this sector, outlining major investment rounds and relevant R&D partnerships illustrating the industry traction and readiness of institutional investors (big pharma/biotech) to potentially acquire most successful AI-vendors.

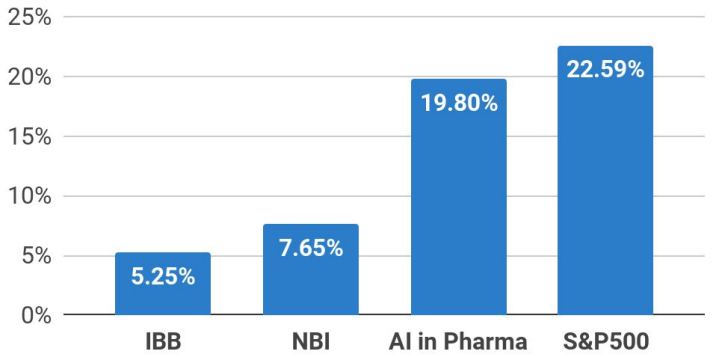


Ai in Pharma Portfolios Strategies Performance

After a long process of fundamental and technical analysis, we created a list of 29 companies that are of tremendous investment interest. DPI analytics used five different strategies to create portfolios: Equally Weighted, Minimum Variance, Capitalization-weighted, Balanced and Sharpe. The performance of Portfolios optimized in accordance with the Sharpe ratio you can see on the graph below:



Market Returns During Q1-Q3 2021

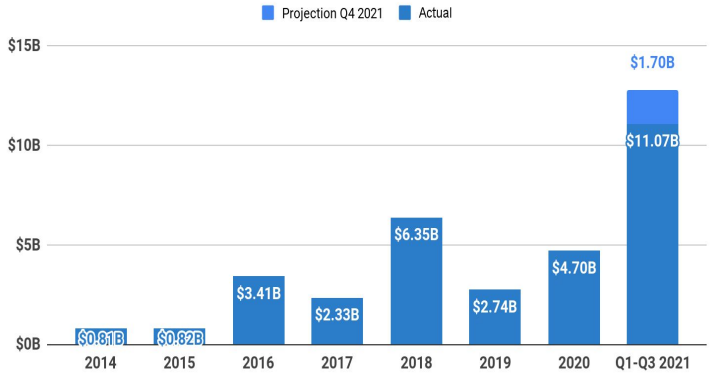


As of the end of Q3 2021 AI in Pharma corporations market capitalization outperforms iShares Biotechnology ETF (IBB) and approaches NASDAQ Biotechnology Index (NBI). However, compared to Q2 2021 S&P 500 significantly overperformed the pharma industry.

Some of the key takeaways from this digest include:

- The segment of pharmaceutical AI continues consolidation;
- Pharmaceutical AI sector is “heating up” for investments;
- AI-driven companies closed large-sum late-stage venture capital rounds (B, C, and D) in 2021;
- New IPOs attract a significant number of non-biotech investors to enter the Life Sciences sector;
- The market is maturing for rapid increase in M&A activity in the nearest future;
- Biotech industry is embracing trend of bringing companies to public markets via Special Purpose Acquisition Companies (SPACs);
- Publicly traded companies present rapid growth with reaching $38.3B of cumulative capitalization as of October, 20 2021.

Dynamics of Investments in Ai in Pharma



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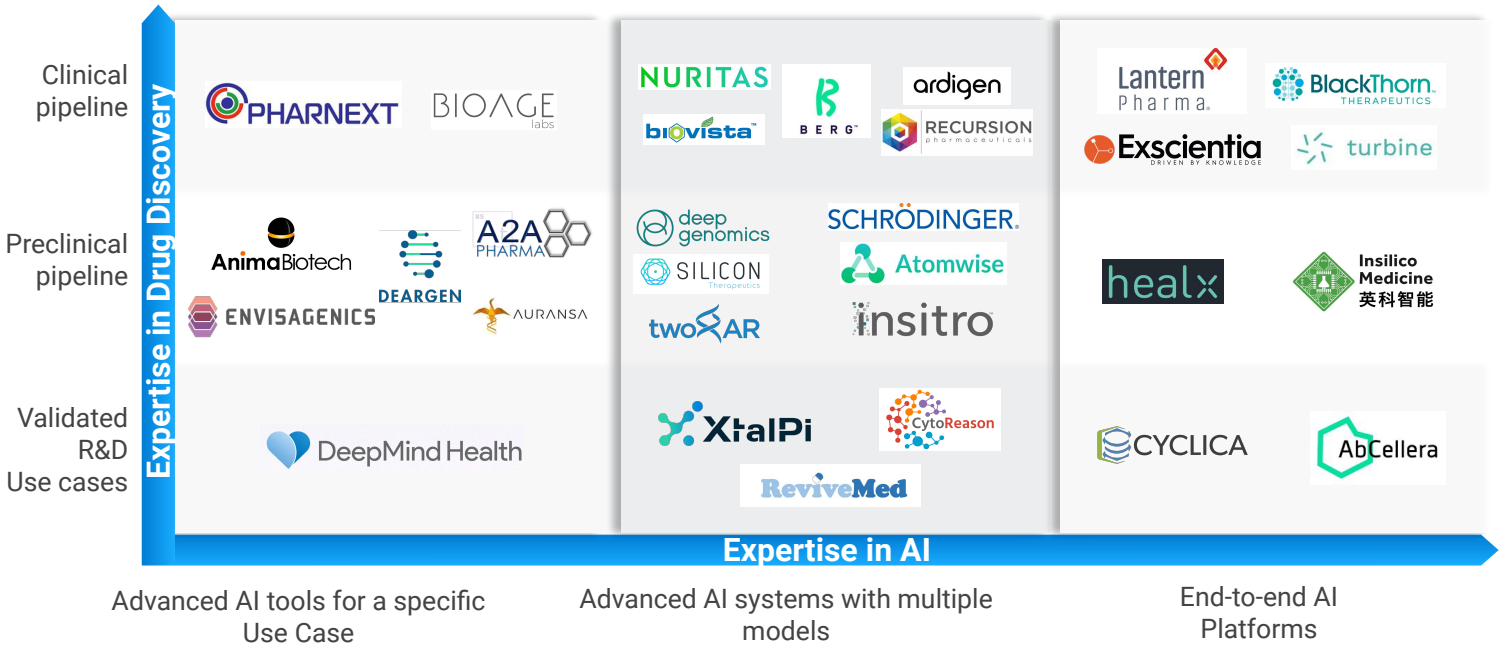
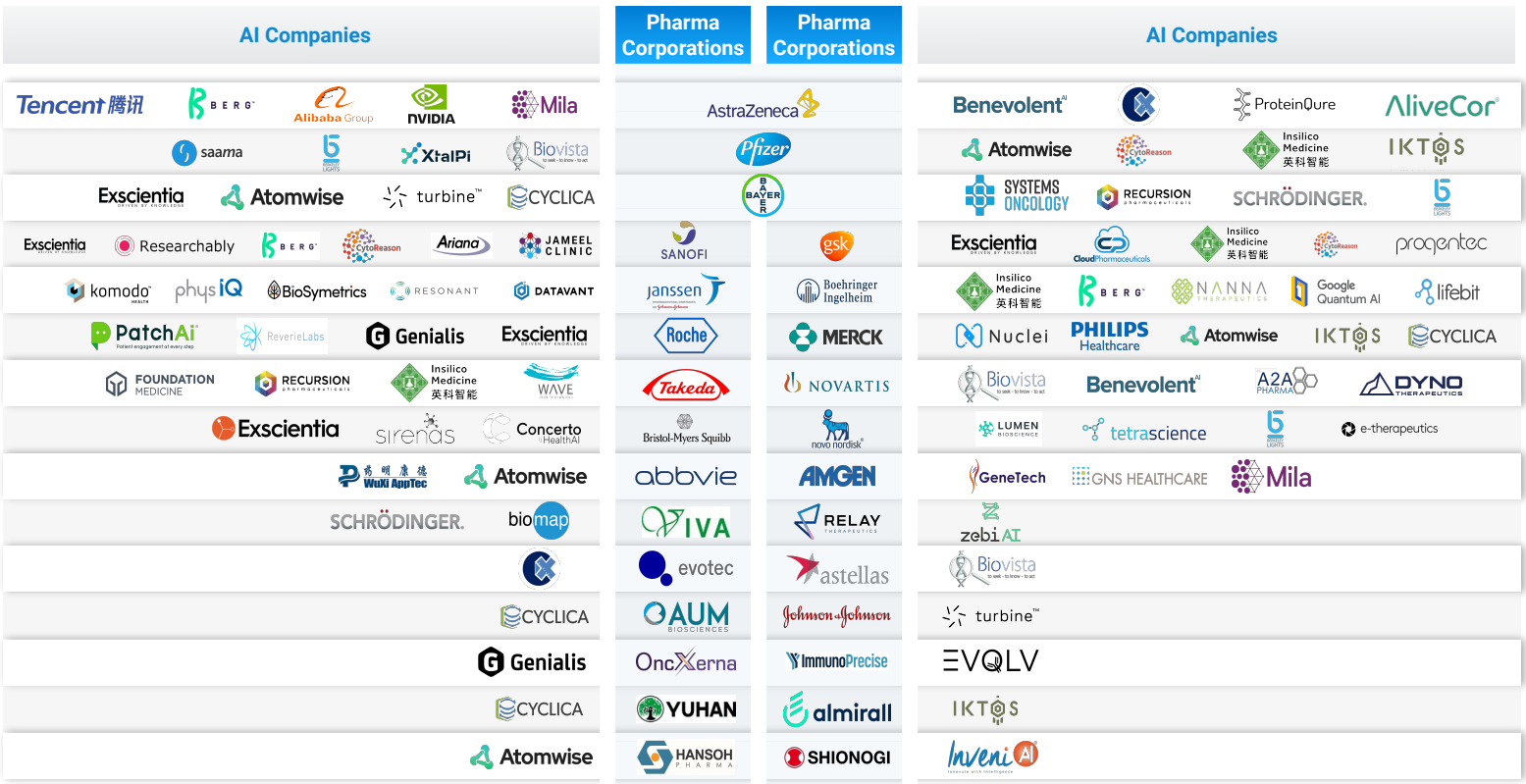
Comparison of Top-33 Leading Ai for Drug Discovery Companies
Expertise in Drug Discovery R&D / Ai



Pharma Ai Deals Structure 2021