



# LIFE SCIENCES DEALMAKING SYMPOSIUM

## NEW FACTORS IN THE MIX: DILIGENCE IN THE TIME OF COVID-19



Navigating the ever-changing global life sciences deal landscape has become more challenging in the post-pandemic world. Conducting virtual inspections and examining security and privacy risks for remote working and new operating procedures will be central to evaluating current and future collaboration partners and targets. Thinking quickly yet carefully is essential for successfully adapting to this new normal. This panel explored the critical issues that executives and investors should watch out for in a post-COVID-19 world.

McDermott partner [Michael Siekman](#) moderated this discussion featuring [Tom Brida](#), general counsel and chief compliance officer at Invitae; [Dr. Anna French](#), partner at Qiming Venture Partners; [Chuck Wilson](#), president and CEO of Cogent Biosciences; McDermott attorney [Jennifer Bock](#); and [Laura Jehl](#), global head of McDermott's Privacy and Cybersecurity Practice Group.

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The COVID-19 pandemic has forced dealmakers to conduct due diligence virtually, using tools such as videoconferencing and virtual data rooms more than ever before. In some ways, this shift has actually **made the due diligence process more efficient**, the panel observed. With the complications of travel replaced with the convenience of videoconferencing, some aspects of the process are moving along more quickly than before the pandemic shutdown.

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Despite increased efficiencies, **lack of in-person interactions may impact deal pipelines long-term** as investors move from doing deals with known parties to interacting with CEOs and businesses they did not already know pre-pandemic. "We haven't completely been able to replicate some of the real human factors when doing a deal," Dr. French stated. The lack of in-person communication can also be challenging for cross-border deals when cultural difference come into play, Ms. Bock noted.

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Finding alternatives to onsite visits presents more of a challenge, but many dealmakers are **deploying creative solutions**, such as drone use. Other more traditional options include reliance on historical third-party reports, or having onsite personnel carry a laptop around the premises for a virtual inspection.

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While virtual tools make diligence possible in the COVID-19 era, they also **implicate cybersecurity considerations**. "The data security environment that we're living in is dramatically worse than it was months ago, mostly due to people working remotely—either with bad remote set-ups or falling for phishing" and similar schemes because of distractions in the home work environment, Ms. Jehl explained. The recent spike in ransomware attacks has also threatened life sciences companies' valuable intellectual property and personal data.

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COVID-19 has raised its own particular diligence topics that investors should incorporate into their process. If a target has taken advantage of government assistance programs, it is important to understand **how that might affect the target's financials**, Mr. Brida noted. If a target has ongoing activities onsite (laboratories, for example), potential investors should confirm that those facilities are in compliance with all local health and safety regulations.

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