



## Healthcare Industry Highlights

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September 23<sup>rd</sup>, 2020



## COVID-19 DEVELOPMENTS

### News Scan

- There are currently 59 COVID-19 drugs, including vaccines, being investigated in clinical trials authorized by Health Canada
- Canada has reserved millions of doses of COVID-19 vaccines under development in an effort to ensure that Canadians are at the front of the line when a vaccine becomes available. To date, the federal government has announced agreements with four U.S. companies: Janssen Pharmaceutical Companies, Moderna, Novavax, and Pfizer/BioNTech. All four companies have received funding from the U.S. government's Operation Warp Speed, which is investing billions of dollars to fast-track the development of promising vaccine candidates. Canada will receive 20 million to 76 million doses of each vaccine. Each of the four companies' vaccine candidates are now in large scale clinical trials, as highlighted below:
  - **J&J's Janssen unit:** This vaccine is a new type called a non-replicating viral vector. Unlike traditional vaccines made from viruses or parts of viruses, Janssen's vaccine uses only a piece of coronavirus DNA. The DNA contains instructions for making a coronavirus protein so that the human body can produce and learn to recognize it. On September 23<sup>rd</sup> Janssen announced the beginning of a global pivotal trial of their single-dose vaccine in up to 60,000 adult participants at nearly 215 sites in the US and internationally
  - **Moderna:** Moderna's vaccine candidate is made from messenger RNA, and would be the first such vaccine if approved. mRNA is used by cells to translate instructions found in DNA to make proteins, in this case relaying to a human cell how to make a stabilized version of spike protein for SARS-CoV2. Moderna is in Phase 3 clinical trials that started in July
  - **Novavax:** Novavax's vaccine is the most traditional of those reserved by the federal government. The vaccine is made from nanoparticles of a key protein from the coronavirus that causes COVID-19. This is an established way of producing vaccines and creating immunity. Novavax is in Phase 1/2 clinical trials that started in May
  - **Pfizer/BioNTech:** Pfizer and BioNTech's vaccine is similar to Moderna's: a messenger RNA sequence for a stabilized spike protein. Pfizer and BioNTech are currently in Phase 2 and 3 of clinical trials that started in July
- On September 22<sup>nd</sup>, **Sanofi** and **GSK** announced agreements with the Government of Canada for the supply of up to 72 million doses of an adjuvanted COVID-19 vaccine. Both companies have vaccine manufacturing sites in Canada that are contributing to overall global COVID-19 vaccine development
- On September 1<sup>st</sup>, **Global News** reported that Canada's coronavirus exposure notification app has been downloaded approximately 2.2 million times. As of that date, roughly 80-100 people were testing positive each day in Ontario for COVID-19, but only 90 had logged their diagnosis with the application since it launched



## HEALTHCARE SERVICES

### News Scan

- On September 21<sup>st</sup>, **The Fertility Partners (“TFP”)** announced an investment in leading genetic testing laboratory Sequence46 in Los Angeles, California. This partnership significantly expands the comprehensive services offered by its Canada-wide network of fertility clinics in the pursuit of global best IVF clinical outcomes and the healthiest babies
- On September 21<sup>st</sup>, **Nova Leap Health Corp. (“Nova Leap”)**, an acquisitive home health care services company operating throughout Canada and the United States, announced the acquisition of **Arkansas Home Care Business (“Arkansas Home Care”)**. The completion of this investment supports Nova Leap’s geographic expansion strategy and builds on its initial investment made in the South Central U.S. a year earlier when the firm entered Oklahoma
- On September 21<sup>st</sup>, **FFL Partners (“FFL”)** announced it has formed a new orthopedic health services organization, **U.S. Orthopedic Partners (“USOP”)**. FFL is a private equity firm focused on growth investments in middle market companies. USOP will be a full-service, integrated orthopedic care platform that provides the full continuum of musculoskeletal treatment to patients in the Southeastern U.S., acting as a complete provider for patients who are seeking high quality, value-based surgical care
- On September 1<sup>st</sup>, **WELL Health Technologies Corp. (“WELL”)** announced an agreement to purchase **Circle Medical Ltd. (“Circle Medical”)**, a U.S. based technology company that focuses on telehealth and in-person healthcare experience, for approximately US\$14 million. The transaction will position WELL as a leading provider of telehealth services in the U.S., expanding its geographic footprint throughout North America
- On September 1<sup>st</sup>, **CRH Medical Corporation (“CRH”)** announced its acquisition of a 51% interest in **Coastal Carolina Sedation Associates (“Coastal”)**, a gastroenterology anesthesia practice located in North Carolina. This represents CRH’s fifth anesthesia acquisition since June, with the company now providing services at 9 ambulatory surgery centers in the state

### Key Indicators

|  | Market Cap | TEV   | TEV / Revenue |             | TEV / EBITDA |             | Price % of 52-Week High |
|--|------------|-------|---------------|-------------|--------------|-------------|-------------------------|
|  |            |       | 2020E         | 2021E       | 2020E        | 2021E       |                         |
| <i>(in USD millions, unless otherwise indicated)</i> |            |       |               |             |              |             |                         |
| Akumin Inc.  | 209.8      | 689.9 | 2.7x          | 2.3x        | 10.2x        | 8.5x        | 92.9%                   |
| WELL Health Technologies Corp.                       | 678.6      | 683.5 | 20.3x         | 13.0x       | neg          | nmf         | 85.5%                   |
| New Look Vision Group Inc.                           | 347.1      | 570.8 | 3.0x          | 2.4x        | 17.7x        | 10.8x       | 77.1%                   |
| CRH Medical Corporation                              | 158.7      | 261.6 | 2.6x          | 1.9x        | 12.0x        | 7.1x        | 50.0%                   |
| CareRx Corporation                                   | 69.5       | 115.5 | 0.9x          | 0.7x        | 12.0x        | 7.3x        | 71.6%                   |
| <b>Average</b>                                       |            |       | <b>5.9x</b>   | <b>4.1x</b> | <b>13.0x</b> | <b>8.5x</b> | <b>75.4%</b>            |



## HEALTHCARE TECHNOLOGY

### News Scan

- On September 15<sup>th</sup>, **LifeSpeak Inc.** (“**LifeSpeak**”), North America's leading digital education platform for employee mental health and wellness, announced a \$42 million growth equity investment from Round13 Growth Fund, Kensington Capital Partners and Roynat Capital. **Origin Merchant Partners** acted as LifeSpeak's financial advisor
- On September 15<sup>th</sup>, **Logibec Inc.** (“**Logibec**”) announced the acquisition of **AnalysisWorks**, a Vancouver-based company that provides innovative solutions to optimize the operational and financial performance of clinics in the healthcare sector
- On September 15<sup>th</sup>, **Loblaw Companies Ltd.** announced its wholly owned subsidiary **Shoppers Drug Mart Inc.** ("Shoppers Drug Mart") will invest \$75 million in **Maple Corp.** ("Maple"), the leading virtual care provider in Canada, in exchange for a material minority stake in the company. The partnership is a significant step in the journey to provide Canadians with the convenience and security of a digitally connected healthcare network. Maple is currently available in more than 160 Shoppers Drug Mart locations in BC
- On September 14<sup>th</sup>, **CloudMD Software & Services Inc.** (“**CloudMD**”), a telehealth company focused on the delivery of healthcare to patients, announced an agreement to acquire 100% of **iMD Health Global Corp.** (“**iMD**”). iMD is a platform that allows healthcare professionals at every level of care to better engage, inform and educate patients about conditions and treatment plans. The integration of iMD's platform into CloudMD's EMR software will create an industry leader and a unique platform providing healthcare professionals with direct access to additional resources for their patients
- On September 8<sup>th</sup>, **Progressive Care Inc.** (“**Progressive Care**”), a personalized healthcare services and technology company, announced it has entered into a LOI to acquire **MyApp Corp.** (“**MyApp**”) for US\$10.2 million, consisting of US\$7.5 million of Progressive Care stock and US\$2.5 million in earn-outs. MyApp is a leading developer of healthcare software, with its flagship telehealth service app “CallingDr”, providing virtual healthcare solutions to clients

### Key Indicators

| <i>(in USD millions, unless otherwise indicated)</i> | Market Cap | TEV   | TEV / Revenue |             | TEV / EBITDA |              | Price % of 52-Week High |
|--|------------|-------|---------------|-------------|--------------|--------------|-------------------------|
|  |            |       | 2020E         | 2021E       | 2020E        | 2021E        |                         |
| Profound Medical Corp.                               | 273.2      | 228.5 | 37.5x         | 11.7x       | neg          | neg          | 82.4%                   |
| Hamilton Thorne Ltd.                                 | 142.3      | 141.3 | 3.9x          | 3.1x        | 26.9x        | 15.6x        | 91.3%                   |
| Vitalhub Corp.                                       | 45.9       | 35.9  | 3.9x          | 2.6x        | 25.2x        | 14.5x        | 87.5%                   |
| Neovasc Inc.   | 25.9       | 29.9  | 13.2x         | 2.3x        | na           | na           | 25.0%                   |
| <b>Average</b>                                       |            |       | <b>14.6x</b>  | <b>4.9x</b> | <b>26.0x</b> | <b>15.1x</b> | <b>71.5%</b>            |



## PHARMACEUTICALS

### News Scan

- On September 21<sup>st</sup>, **Bausch Health Companies Inc.** (“**Bausch**”) announced it has acquired the option to purchase all ophthalmology assets of **Allegro Ophthalmics** (“**Allegro**”). Allegro is a privately held biopharmaceutical company that focuses on the development of therapies to treat ocular diseases. The acquisition of Allegro represents a key strategic opportunity to continue building the pipeline of Bausch’s core business, Bausch + Lomb
- On September 21<sup>st</sup>, **BioLife Solutions** (“**BioLife**”) announced it will acquire **SciSafe**, a privately-held multi-facility provider of biological materials storage to the cell and pharmaceutical industries for US\$30 million. The acquisition of SciSafe enables BioLife to expand into the rapidly growing biostorage segment
- On September 13<sup>th</sup>, **Gilead Sciences** (“**Gilead**”) announced it will acquire **Immunomedics**, a biopharmaceutical company, for US\$21 billion. The acquisition will expand Gilead’s portfolio of treatments for various types of cancer. The deal will provide Gilead with Trodelvy, an antibody drug conjugate approved for treatment of triple negative breast-cancer, representing continued progress in Gilead’s work to build a strong and diverse oncology portfolio
- On August 24<sup>th</sup>, **Johnson & Johnson** (“**J&J**”) announced it has reached an agreement to purchase **Momenta Pharmaceuticals** (“**Momenta**”) for US\$6.5 billion. The deal involves an all-cash tender offer of US\$52.5 per Momenta share, representing more than a 70% premium on Momenta’s closing price. The transaction will enable J&J to continue its expansion in treatments for autoimmune diseases
- On August 14<sup>th</sup>, **Knight Therapeutics** (“**Knight**”), a leading pan-American (ex-US) specialty pharmaceutical company, announced the successful tendering of all outstanding Brazilian Depository Receipts of Biotoscana Investments S.A. (“**GBT**”) The settlement took place on August 18, 2020, at which time Knight paid out a total of R\$517,837,423 (approximately C\$126 million).

### Key Indicators

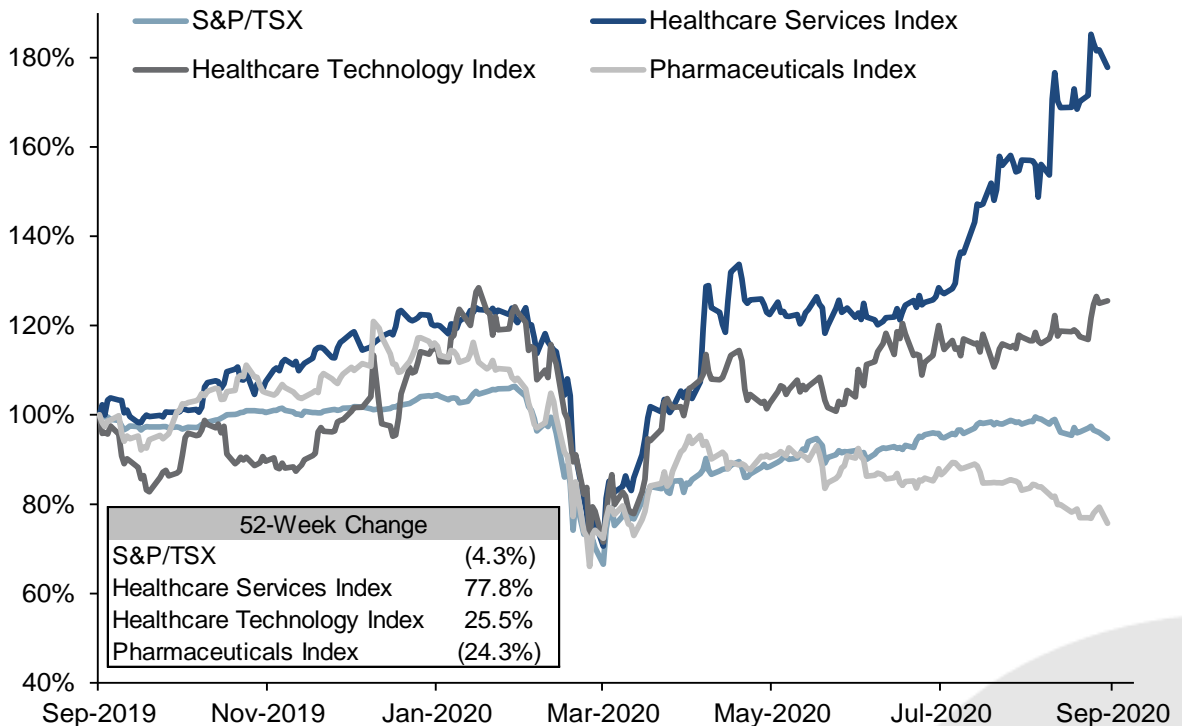
| (in USD millions, unless otherwise indicated) | Market  |          | TEV / Revenue |             | TEV / EBITDA |              | Price % of   |
|---|---------|----------|---------------|-------------|--------------|--------------|--------------|
|   | Cap     | TEV      | 2020E         | 2021E       | 2020E        | 2021E        | 52-Week High |
| Bausch Health Companies Inc.                  | 5,771.3 | 29,358.3 | 3.7x          | 3.5x        | 9.2x         | 8.4x         | 50.9%        |
| Knight Therapeutics Inc.                      | 591.3   | 405.1    | 2.6x          | 2.3x        | 22.3x        | 16.6x        | 67.7%        |
| HLS Therapeutics Inc.                         | 330.4   | 382.4    | 6.8x          | 5.4x        | 17.0x        | 13.4x        | 53.4%        |
| Theratechnologies Inc.                        | 180.0   | 199.6    | 2.9x          | 2.1x        | neg          | 39.4x        | 53.6%        |
| <b>Average</b>                                |         |          | <b>4.0x</b>   | <b>3.3x</b> | <b>16.2x</b> | <b>19.5x</b> | <b>56.4%</b> |





## MARKET PERFORMANCE

### Indexed Segment Performance<sup>1</sup>



### Charting the Course

- The TSX Index has declined 4.3% over the last 12 months, due to broad-based weakness over the last couple of weeks, as concerns about a second wave of COVID and enthusiasm about an effective vaccine on the horizon ebb and flow
- The Healthcare Services Index has demonstrated the strongest performance, buoyed by increases in **Akumin**, a leading provider of diagnostic imaging services in the US and **WELL Health Technologies**, a primary care and digital health company
- Our Healthcare Technology Index has also performed well, increasing 25.5% over the last 12 months, with advances in **Hamilton Thorne**, **VitalHub**, and **Profound Medical**
- Companies in our Pharmaceuticals Index have underperformed, as they continue to gain ground to pre-COVID levels amidst disruptions to supply chains, sales channels, and clinical trials not related to COVID

1. Index segments are comprised of equally weighted market prices for the companies in each category as noted in the earlier pages of the report



## About Origin Merchant Partners

Origin Merchant Partners is an independent investment bank that provides value added corporate finance, mergers and acquisitions and merchant banking services delivered by senior professionals. Our clients engage us for our dedicated, high level of service and independent advice to address their strategic and financial plans

### Origin Merchant Partners

220 Bay Street, Suite 1500  
P.O. Box 23  
Toronto, Ontario  
M5J 2W4

### OMP Healthcare Team:

#### Cathy Steiner

Principal  
T: 416-775-3602  
cathy.steiner  
@originmerchant.com

#### Jim Osler

Principal  
T: 416-800-0784  
jim.osler  
@originmerchant.com

#### Jim Meloche

Principal  
T: 416-800-0873  
jim.meloche  
@originmerchant.com



LIFESPEAK

Exclusive Financial  
Advisor on its equity  
private placement from a  
syndicate led by



September 2020

### \$42 million Equity Investment

Congratulations to the LifeSpeak Inc. team on launching a new phase of growth with a \$42 million equity investment from Round13 Capital, Kensington Capital Partners Limited, and Roynat Capital.

Origin is pleased to have been the exclusive financial advisor to LifeSpeak on this transaction