



Healthcare Industry Highlights

December 17th, 2020



2020 – IT'S A WRAP

To say 2020 has been an unusual year would be an epic understatement. 2020 has been the year that succeeded in making me nostalgic about last year! I have fond memories of 2019, the good old days of: working from my office downtown (not downstairs); in-person meetings, sitting next to colleagues and clients without needing a screening questionnaire, hand sanitizer by my side, and a protocol to get to the restroom; eating inside restaurants; finding space in the crush of a crowded elevator or subway car; shaking hands (hugs even!); and especially warm smiles, unmasked.

2020 has been the year of the epidemiologists and public health officials, the year everyone can rhyme off their names, those valuable professionals who have toiled in relative obscurity since the beginning of time. This year they have had their 15 minutes of fame and then some, and I think we'd all be inclined to say, with respect, we're ready to move on.

For the better part of this year we've been told to social distance, flatten the curve, stay home and do our part, with similar reactions by many countries all around the world in a concerted effort that nobody could ever have imagined. And even still, COVID case numbers demonstrate a stubborn will of their own in a way that remind us we don't control everything. But just the same we are prepared to try, at any cost.

2020 has been the year of healthcare. In under a year, we have half a dozen authorized vaccines – the Pfizer BioNTech mRNA vaccine is the first available in Canada, the US and EU, and the others are authorized by regulators in China and Russia. Moderna's mRNA will be next and some 45 others are in the queue. COVID case numbers, hospitalizations, vaccine development, treatments and preventions will almost certainly continue to dominate the headlines and suck up resources well into 2021.

Virtual Care, Mental Health and Health & Wellness tools, accelerated in their development by COVID, are also here to stay; while they initially filling a gap caused by COVID isolation, those tools are now entrenched in the care continuum. Many are well funded: Mind Beacon is upsizing their IPO, while Dialogue, Maple, and LifeSpeak raised large private rounds, and shares of Well Health have more than quadrupled this year. We'll continue to see financing and M&A activity in 2021, as companies delivering these solutions seek to offer more tools in their toolbox, to simplify care and provide meaningful data for practitioners, employers, payers and patients.

COVID has also revealed fault lines in healthcare, weaknesses in delivery of and payment for care. Enabling technologies and access to integrated and intelligent data will continue to grow in importance, multi-location clinics with standardized SOPs and economies of scale will flourish, and ability to deliver healthcare services and products within the community and at home will be a priority.

The Origin healthcare teams is grateful for your support and we look forward to working together in the year ahead. Our very best wishes to you and those close to you for a joyous holiday, and a happy & healthy 2021. Be well!



COVID-19 DEVELOPMENTS

News Scan

- Currently, the **Pfizer-BioNTech** vaccine is the only COVID-19 vaccination to be approved in Canada, with the first doses arriving in the Eastern provinces earlier this week. The vaccine is authorized for use for people over the age of 16 and has been concluded to be safe and approximately 95% effective after a two-month review of the companies' clinical trial data
 - On December 13th, Canada's first batch of the **Pfizer-BioNTech** vaccination arrived in Quebec, comprising approximately 30,000 doses. The arrival will set in motion a national immunization program of unprecedented scale that is aimed to bring the coronavirus outbreak to an end and an eventual return to normalcy. The pandemic has killed more than 13,000 people in Canada and infected another 450,000
 - 2 days later, on December 15th, more than 300 healthcare workers received the vaccination in Toronto and officials say that they expect to use up their available supply of the drug by the end of the week. The first five vaccinations against the novel coronavirus to occur in Ontario took place in the **University Health Networks' Michener Institute**, hours after a shipment of 6,000 doses landed in Hamilton
- On December 15th, Rick Hillier, the head of Ontario's COVID-19 vaccine distribution task force, said that long-term care residents in Ontario will be getting the **Moderna** vaccine once it receives approval from federal regulators. He stated that the shot will be key to protecting nursing home residents because it does not have the strict storage and transportation requirements of the **Pfizer-BioNTech** shot
- On December 10th, **Fraser Valley Dry Ice ("Fraser Valley")**, a British Columbia based ice company announced a contract with the federal government to provide dry ice to transport the newly-approved Pfizer COVID-19 vaccine. Fraser Valley will turn its specialized equipment, which uses compression to transform carbon dioxide into dry ice, to produce containers of frozen pellets for the vaccine
- On December 3rd, **WELL Health Technologies Corp. ("WELL")** announced the launch of its Direct-to-Consumer COVID-19 antibody tests in Ontario via **Tia Health**. Eligible patients can obtain a doctor's requisition for the antibody test on a 24/7 basis, for \$70 per test. The highly accurate blood test, which provides patients with information on the COVID-19 immune response, will help identify those who have been exposed to the virus and help to reduce the spread



HEALTHCARE SERVICES

News Scan

- On December 14th, **CRH Medical Corporation** (“**CRH**”) announced that it completed an accretive transaction whereby the Company acquired a 51% interest in **FDHS Anesthesia LLC** (“**FDHS**”), a gastroenterology anesthesia practice located in Florida. This acquisition represents CRH’s sixth acquisition since June and provides anesthesia services to two ambulatory surgery centers located in Florida. CRH is now providing anesthesia services to 11 ambulatory surgery centers in Florida, representing the largest footprint within the 13 states CRH operates in
 - On November 19th, **CRH** received approval from the **Toronto Stock Exchange** (“**TSX**”) of its Notice of Intention to renew its existing **Normal Course Issuer Bid** (“**Bid**”). Pursuant to the Bid, CRH may purchase for cancellation 6,999,137 of its common shares, or approximately 9.8% of the common shares outstanding as of this date
- On December 7th, **CareRx Corporation** (“**CareRx**”), a provider of specialty pharmacy services to seniors, announced that its strategic partner and investee company, **AceAge Inc.** (“**AceAge**”) completed a \$5 million Series A financing. AceAge is a Canadian healthcare technology company with an innovative medication dispenser, Karie, and is expected to use the funds to support its rapid international growth. The financing was led by **Longliv Ventures** (“**Longliv**”), which focuses on consumer oriented digital health solutions
 - On December 2nd, **CareRx** announced it has entered into a multi-year pharmacy services agreement with an Ontario-based seniors home operator. The new contract will add approximately 1,100 new retirement and long-term care residents across 13 seniors housing communities

Key Indicators

(in USD millions, unless otherwise indicated)	Market Cap	TEV	TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
			2020E	2021E	2020E	2021E	
CRH Medical Corporation	207.8	313.9	3.1x	2.3x	12.3x	8.2x	92.8%
New Look Vision Group Inc.	393.6	629.9	3.0x	2.5x	11.8x	9.1x	76.9%
Akumin Inc.	218.8	696.4	2.7x	2.3x	9.9x	8.6x	62.7%
CareRx Corporation	76.8	126.9	0.9x	0.8x	12.6x	7.3x	63.9%
Average			2.4x	2.0x	11.6x	8.3x	74.1%



HEALTHCARE TECHNOLOGY & DIGITAL HEALTH

News Scan

- On today's date, **WELL Health Technologies** ("WELL"), focused on consolidating and modernizing clinical and digital assets within the healthcare sector, is pleased to announce that they entered into a share purchase agreement to acquire **Adracare Inc. ("Adracare")**, an omni-channel practice management platform serving over 6,800 healthcare practitioners in Canada, the United States, the United Kingdom, Australia and New Zealand, with largest customer sectors in mental health, medicinal cannabis and physical therapy
 - On December 8th, WELL announced it has completed the acquisition of **ExcelleMD Inc. ("ExcelleMD")**, a Montreal-based omni-channel healthcare company providing both virtual and in-person care, marking WELL's expansion into Quebec
 - Earlier, on December 3rd, WELL announced the acquisition of a minority interest in **Simpill Health Group Inc. ("Pillway")**, a full-service digital pharmacy that provides e-prescription products and services
- On December 16th, **GTCR** and **Cedar Gate Technologies** ("**Cedar Gate**") announced the acquisition of **Deerwalk**, a SaaS data and analytics vendor focused on the healthcare payer market. The acquisition will be highly complementary to Cedar Gate's existing platform, providing a user-friendly data aggregation and analytics solution
- On December 8th, **MindBeacon** ("**Beacon**"), a fast-growing provider of mental health therapy with investors including Manulife and Telus, filed to go public seeking to raise \$50 million. On December 16th, a Globe and Mail report disclosed the upsizing of the offering by 20%
- On November 19th, **Carebook Technologies Inc. ("Carebook")**, a leading Canadian digital health company offering innovative digital health and virtual care solutions, announced the acquisition of **Novus Health** ("**Novus**"), a leading provider of health navigation programs and health and wellness management solutions, with approximately \$4.5 million in sales

Key Indicators

(in USD millions, unless otherwise indicated)	Market Cap	TEV	TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
			2020E	2021E	2020E	2021E	
WELL Health Technologies Corp.	779.5	776.7	20.1x	9.4x	neg	nmf	79.1%
Profound Medical Corp.	350.5	308.3	45.3x	18.5x	neg	neg	83.9%
CloudMD Software & Services Inc.	182.4	175.9	14.8x	5.2x	neg	neg	65.3%
Hamilton Thorne Ltd.	147.8	141.7	3.8x	3.1x	23.9x	15.4x	90.7%
Neovasc Inc.	17.8	19.9	9.6x	3.6x	na	na	8.9%
Average			21.0x	9.1x	23.9x	15.4x	79.7%



PHARMACEUTICALS

News Scan

- On December 15th, **Eli Lilly and Co.** (“**Eli**”) announced it would buy **Prevail Therapeutics** (“**Prevail**”) for approximately \$1 billion, to strengthen its presence in the gene therapy field, used to develop treatment for diseases such as Parkinson’s. Prevail shareholders will receive \$22.50 per share, a premium of 80% to the stock’s closing price on the same day. Prevail has several drugs in the pipeline, with many of the therapies having been granted “fast track” and “orphan drug” tags by the US FDA and European Commission, expediting approval
- On December 12th, **AstraZeneca** and **Alexion Pharmaceuticals** (“**Alexion**”) announced they had entered into a definitive agreement for AstraZeneca to acquire Alexion. Alexion shareholders will receive \$60 in cash and 2.1243 AstraZeneca American Depository Shares, implying total consideration to shareholders of \$39 billion or \$175 per share. The combined company will have an enhanced global footprint and broad coverage across primary, specialty, and highly specialized healthcare
 - On December 1st, **AstraZeneca** announced it would sell rights to its former blockbuster cholesterol drug, Crestor, to German-based **Gruenenthan GmbH** (“**Gruenenthan**”), for an upfront payment of \$320 million. Crestor was among AstraZeneca’s best-selling medicines, previously accounting for approximately 20% of the company’s total revenue, however AstraZeneca has stated that they are focusing on its cancer treatments portfolio
- On December 10th, **Gilead Sciences** (“**Gilead**”) announced the acquisition of **MYR GmbH** (“**MYR**”) and its new hepatitis drug for approximately \$1.4 billion in cash plus a future milestone payment of up to \$365 million. MYR’s flagship drug, Hepcludex, is the only drug approved for HDV by the EMA and MYR is anticipating submission for accelerated approval in the US in H2 2021

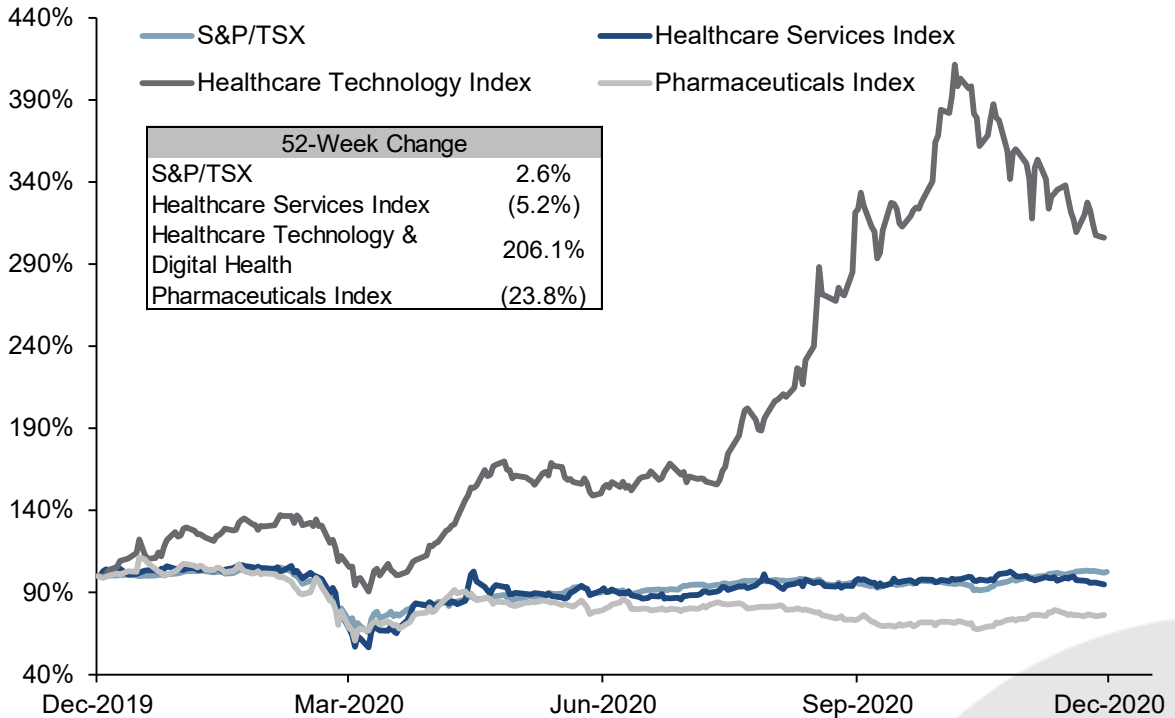
Key Indicators

(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.	7,471.3	31,005.3	3.9x	3.7x	9.6x	9.0x	69.3%
Knight Therapeutics Inc.	548.6	236.1	1.6x	1.5x	18.4x	12.4x	66.0%
HLS Therapeutics Inc.	423.8	482.7	8.7x	5.7x	21.4x	12.3x	65.6%
Theratechnologies Inc.	179.6	202.5	3.1x	2.2x	neg	neg	67.8%
Average			4.3x	3.3x	16.4x	11.2x	67.2%



MARKET PERFORMANCE

Indexed Segment Performance¹



Charting the Course

- The TSX Index has increased 2.6% over the last 12 months, as Canada's mass vaccination rollout begins, with Canada becoming the third country in the world to approve the Pfizer-BioNTech vaccination
- Our Healthcare Services Index has decreased 5.2% over the last 12 months, as in-person service delivery volumes start to approach pre-COVID levels
- WELL Health Technologies and CloudMD have been the key drivers behind the increase in the Healthcare Technology and Digital Health Index, as both companies are focused on aggressive growth, both organic and inorganic
- Companies in our Pharmaceuticals Index underperform the others on average, with all eyes on those companies developing COVID-19 vaccines or treatments

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

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