



Healthcare Industry Highlights

February 24th, 2021



COVID-19 DEVELOPMENTS¹

News Scan

- On February 22nd, **Johnson & Johnson (“J&J”)** submitted its vaccine candidate to the Food and Drug Administration for emergency authorization of its one-dose COVID-19 vaccine, putting the company on track to potentially start shipping in March. A panel of outside experts will convene on Friday to discuss the vaccine's data and vote whether to recommend it for emergency authorization
- On February 22nd, Canadian federal law announced its requirement of international travellers arriving at Canadian airports to go directly to a designated hotel for three days while awaiting COVID-19 test results
- On February 16th, Canadian-based **Providence Therapeutics (“Providence”)**, announced it is on track to produce 50 million doses of its COVID-19 vaccine. Providence is still in the early stages of clinical trials for its mRNA vaccine candidate, with Manitoba being the only province that has announced a deal with the company. Providence is aiming to have millions of doses of messenger-RNA vaccine by this fall
- On February 10th, the **Vaccine and Infectious Disease Organization (“VIDO”)** at the **University of Saskatchewan** announced that it had begun clinical trials for another Canadian-made COVID-19 vaccine candidate. This will be the first of two subunit vaccines by VIDO to enter clinic testing. Subunit vaccines contain purified viral proteins that are not infectious, and employ technology already used in vaccines for hepatitis and whooping cough
- On February 9th, **Health Canada** announced it is in its final stages of reviewing the **AstraZeneca** COVID-19 vaccine candidate. Health Canada has been assessing the safety and efficacy of its the vaccine since October 2020. If, and when, AstraZeneca's vaccine is granted regulatory approval, it would be the third vaccine deemed safe for use in the country. The other two vaccines are the **Pfizer-BioNTech** and **Moderna** vaccines
- On February 9th, **Entos Pharmaceuticals (“Entos”)** announced that it is expected to begin its Phase 1 human clinical trails of its DNA-based COVID-19 vaccine, designed to protect people against the virus and its variants. Entos has used C\$5 million in federal funding to bring two lead candidates of its Fusogenix DNA vaccine, called Covigenix, to clinical trials
- On February 3rd, the Canadian federal government announced an agreement with **Novavax Inc. (“Novavax”)**, a U.S. vaccine maker, to manufacture its COVID-19 vaccine candidate in Canada. After submitting its COVID-19 vaccine to Health Canada for regulatory review, Novavax reached an agreement with the government to sell 52 million doses of its vaccine and negotiated options to buy 24 million more doses

1. Sourced from Reformulary Group's COVID-19 DEW Report (reformulary.com/covid19) and other news sources



HEALTHCARE SERVICES

News Scan

- On February 22nd, **Carlyle Group Inc. (“Carlyle”)** announced it was exploring sale options for **Ameos AG (“Ameos”)**, a Swiss-based healthcare clinic chain. The transaction is expected to be worth upwards of €1.3 billion. Ameos runs 96 acute general care and psychiatric hospitals. Like most clinic service providers, Ameos has suffered from decreased volume in medical surgeries in 2020 due to precautionary allocations of free beds for COVID-19
- On February 18th, **Jack Nathan Health (“JNH”)** announced the acquisition of two **Redeem MediSpas (“MediSpas”)**, located in Maple and Brampton, Ontario. The purchase price of C\$535k is comprised of an earn-out of C\$200k, related to the opening of eight new clinics over the next 12-18 months. This acquisition will be complementary to JNH’s well-established network of health clinics located in 76 Walmart locations across Canada
- On February 16th, **Charter Health Care Group (“Charter”)** announced it has acquired **Physmed Home Health Care (“Physmed”)** and **Serene Care Hospice (“Serene Care”)**, both located in Omaha. Charter is a provider of post-acute care services offering a broad spectrum of services and programs for patients
- On February 10th, **New Frontier Health Corp. (“New Frontier”)** announced it has received an offer to be bought out by a consortium of investors in a deal that values the healthcare service provider at nearly US\$1.72 billion. A group of investors offered to acquire the outstanding shares of New Frontier for US\$12 in cash, representing a premium of 23.6% to the same day closing price. New Frontier operates private hospitals, outpatient clinics, and medical centers
- On February 9th, **CRH Medical Corporation (“CRH”)** announced that it had acquired **Oak Tree Anesthesia Associates (“Oak Tree”)**, a gastroenterology anesthesia practice located in New Jersey. Oak Tree represents CRH’s 32nd acquisition and provides anesthesia services to a single ambulatory surgery center in New Jersey. The transaction is expected to add an estimated annual revenue of US\$1.5 million

Key Indicators

(in USD millions, unless otherwise indicated)

	Market Cap	TEV	TEV / Revenue		TEV / EBITDA		Price % of 52-Week High
			2020E	2021E	2020E	2021E	
MCI Onehealth Technologies Inc.	115.1	124.6	4.3x	3.5x	42.9x	neg	94.6%
CRH Medical Corporation	279.4	385.5	3.7x	2.8x	15.2x	10.1x	88.4%
Akumin Inc.	245.2	722.8	2.8x	2.4x	10.5x	8.9x	63.9%
CareRx Corporation	97.0	147.7	1.1x	0.9x	14.7x	8.2x	79.8%
Average			3.0x	2.4x	20.8x	9.1x	81.7%



HEALTHCARE TECHNOLOGY & DIGITAL HEALTH

News Scan

- On February 22nd, **Calian Group Ltd.** (“**Calian**”) announced it has acquired **Dapasoft Inc.** (“**Dapasoft**”), a leading provider of innovative systems integration, cloud lifecycle management and cybersecurity solutions along with virtual care for the healthcare industry. The transaction is valued at C\$83 million. Origin Merchant Partners was exclusive financial advisor to Dapasoft. (See Pg. 7 for additional details)
- On February 17th, **Thermo Fisher Scientific Inc.** (“**Thermo Fisher**”) announced it has acquired the cell sorting technology assets from **Propel Labs** (“**Propel**”). Thermo Fisher, a leading provider of technology-enabled science, believes this acquisition correlates with tailwinds of rising expectations from researchers of cell and gene therapies, immunology, and other promising medicines
- On February 16th, **symplr**, a leading global healthcare governance, risk management and compliance SaaS company, announced its acquisition of **Phynd Technologies** (“**Phynd**”). The acquisition strengthens symplr as a global healthcare leader by adding Phynd’s data management platform to its portfolio
- On February 9th, **Royal Philips** (“**Philips**”) announced its acquisition of **BioTelemetry Inc.** (“**BioTelemetry**”), a leading U.S.-based provider of remote telehealth cardiac diagnostics and monitoring. The acquisition of BioTelemetry will expand Philip’s cardiac care portfolio, adding a complete range of clinically validated ambulatory cardiac diagnostics and monitoring services
- On February 8th, **WELL Health Technologies Corp.** (“**WELL**”) announced it has reached an agreement to acquire **CRH Medical Corporation** (“**CRH**”) for approximately US\$292.7 million. The purchase price represents a premium of approximately 83% to the closing price of CRH’s shares on February 5th. The transaction will expand WELL’s offering, adding CRH to its portfolio of products

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	
WELL Health Technologies Corp.	1,021.8	1,019.0	25.9x	5.9x	neg	30.7x	90.7%
Profound Medical Corp.	455.9	413.3	nmf	24.6x	neg	neg	80.8%
CloudMD Software & Services Inc.	220.6	214.0	18.5x	4.3x	neg	nmf	77.3%
Mindbeacon Holdings Inc.	177.3	173.9	21.5x	11.0x	neg	neg	78.8%
Think Research Corporation	90.6	106.0	7.6x	3.4x	neg	nmf	55.3%
Average			22.0x	11.4x	n.a	30.7x	81.9%



PHARMACEUTICALS

News Scan

- On February 18th, **Eli Lilly** (“**Eli**”) announced it has reached an agreement to acquire the exclusive worldwide license to **Rigel Pharmaceuticals Inc.’s** (“**Rigel**”) autoimmune and inflammatory diseases treatment for up to US\$960 million. The purchase price will consist of an upfront cash payment of US\$125 million, with the potential for an additional US\$835 million in milestone payments. Rigel’s lead therapy, R552, will begin mid-stage trials this year
- On February 8th, **Bain Capital** (“**Bain**”) and **Cinven** announced they had reached an agreement to acquire **Lonza Group’s** (“**Lonza**”) Specialty Ingredients division in a transaction worth US\$4.7 billion. Lonza, a Swiss-based drug maker, commented that it would shift focus to its accelerating drug business; with customers such as **Moderna** and **AstraZeneca**, it is a key supplier of ingredients used in the COVID-19 vaccines
- On February 3rd, **Jazz Pharmaceuticals plc** (“**Jazz**”) announced an agreement to acquire **GW Pharmaceuticals plc** (“**GW**”), developer of Epidiolex, the first FDA approved cannabinoid based medicine. The transaction is valued at US\$7.2 billion or US\$220 per GW American Depositary Share (“**ADS**”), consisting of US\$200 in cash and US\$20 in Jazz ordinary shares. The transaction will result in a combined company with a global commercial footprint
- On February 1st, **Cytivia**, an operating company of **Danaher Corporation** (“**Danaher**”) announced it has acquired **Vanrx Pharmsystems** (“**Vanrx**”). Vanrx is a Canadian-based company that makes robotic aseptic filling machines to fill vials, syringes, and cartridges with reduced risk and increased speed to patients. The acquisition by Cytivia will enable Vanrx to expand its reach and further service customers
- On February 1st, **Horizon Therapeutics** (“**Horizon**”) announced it has agreed to buy **Viela Bio Inc.** (“**Viela**”) for approximately US\$3.05 billion. The acquisition will expand Horizon’s rare-disease portfolio, with Viela’s approved drug, Uplizna, being used to treat rare, severe, and neuroinflammatory diseases

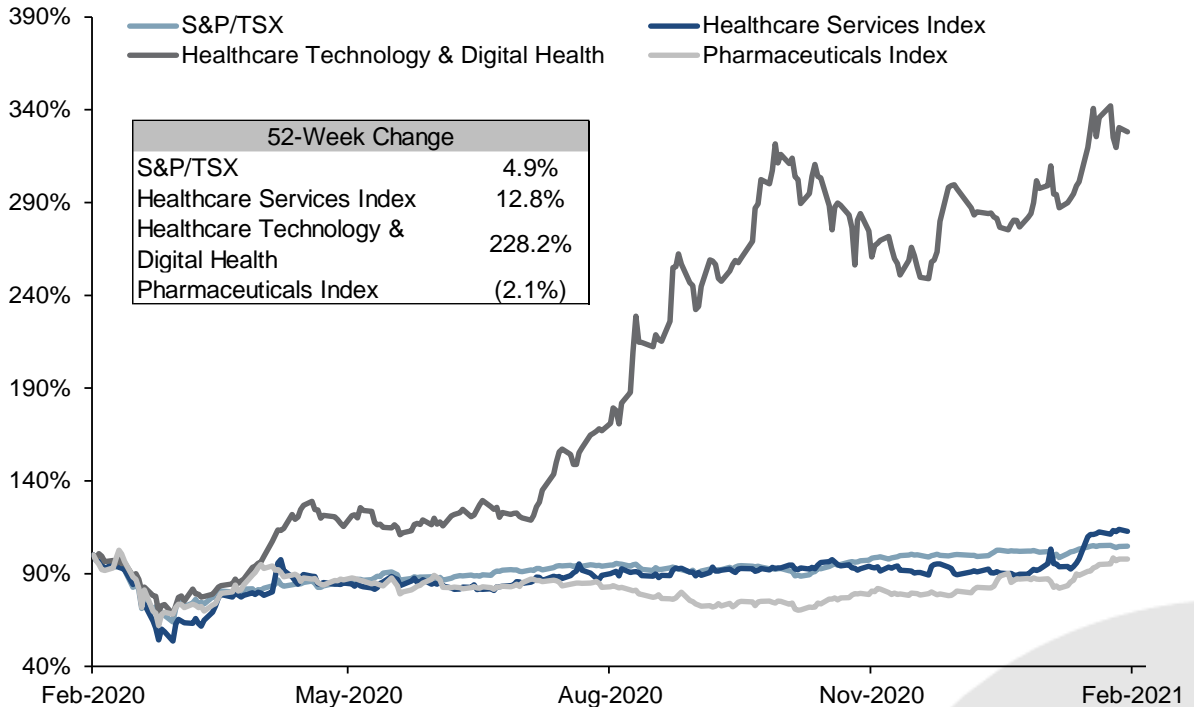
Key Indicators

<i>(in USD millions, unless otherwise indicated)</i>	Market		TEV / Revenue		TEV / EBITDA		Price % of
	Cap	TEV	2020E	2021E	2020E	2021E	52-Week High
Bausch Health Companies Inc.	11,205.2	34,739.2	4.4x	4.1x	10.7x	10.1x	97.1%
Knight Therapeutics Inc.	540.2	224.3	1.5x	1.4x	17.5x	11.6x	64.6%
HLS Therapeutics Inc.	464.1	523.0	9.4x	6.8x	23.5x	15.0x	82.7%
Theratechnologies Inc.	226.9	249.8	3.9x	2.6x	neg	neg	84.7%
Average			4.8x	3.7x	17.2x	12.3x	82.3%



MARKET PERFORMANCE

Indexed Segment Performance¹



Charting the Course

- The TSX Index increased 4.9% over the last 12 months. Eight of the eleven major sectors on the TSX were down, led by materials, healthcare, and technology for the month of February. Shares of Shopify, Canada's most valuable company, dropped after it warned of challenges ahead if COVID-19 lockdowns are lifted
- Our Healthcare Services Index increased 12.8% over the last 12 months, as consolidation of clinics, practices and service-providing firms continue to occur
- Our Healthcare Technology and Digital Health Index continued its upward performance, increasing 228.2% over the last 12 months. The increased access to telehealth platforms, further accelerated by new technologies such as artificial intelligence, has driven the value of digital health and technology companies
- Our Pharmaceuticals Index has gained momentum, up approximately 18% from last month. The increased cash flow generated by successful therapies has driven inorganic growth activities. Other companies are re-constructing portfolios to focus on higher-margin and faster-growing business units

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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Dapasoft Inc. including

dapasoft **iSecurity**

\$83 million
Exclusive
Financial Advisor
on its sale to

CALIAN

February 2021

Acquisition of Dapasoft Inc. by Calian Group Ltd.

Congratulations to Dapasoft Inc., including its wholly-owned subsidiary, iSecurity, on its acquisition by Calian Group Ltd. Dapasoft is trusted by North American healthcare providers, payors, and application developers to power their solutions, integrating a wide variety of EHR, EMR, and other clinical and analytics systems.

Origin is pleased to have been the exclusive financial advisor to Dapasoft Inc. on this transaction