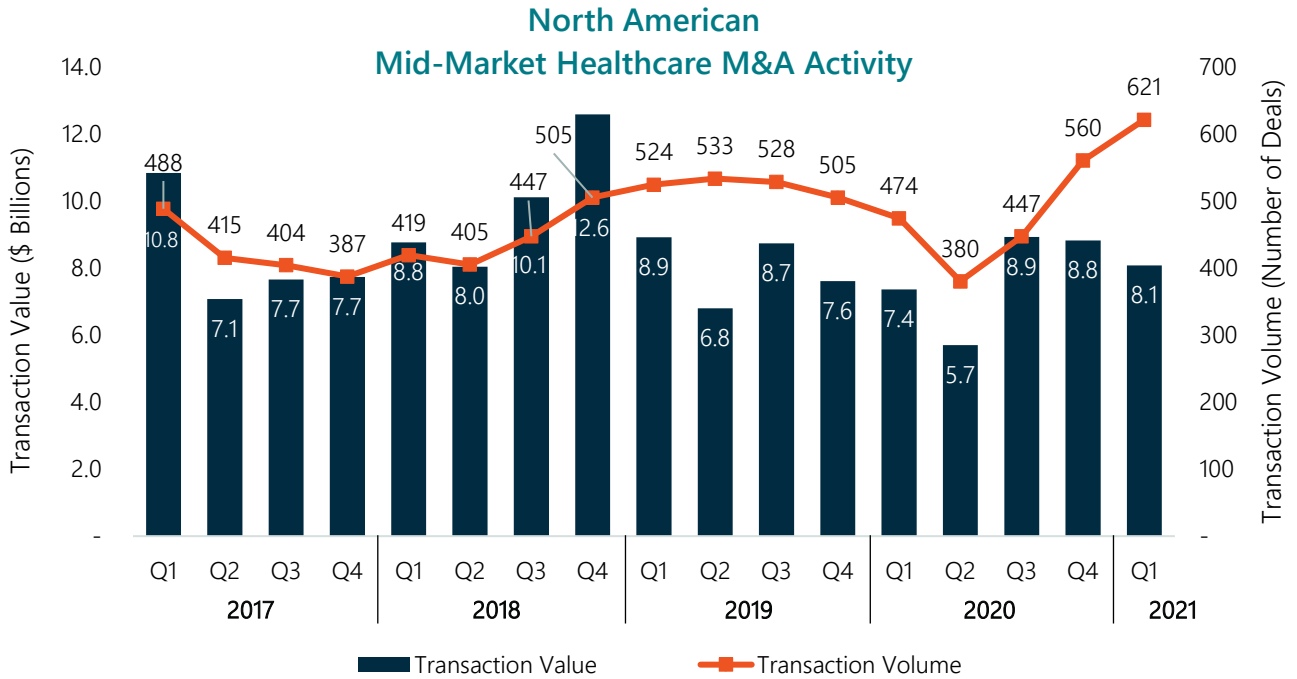


Healthcare Services

Quarterly Update | Q1 2021





Source: Capital IQ. Data as of March 31, 2021

Above noted mid-market M&A activity includes disclosed transactions not exceeding a total transaction value of \$500 million. All figures are in CAD.

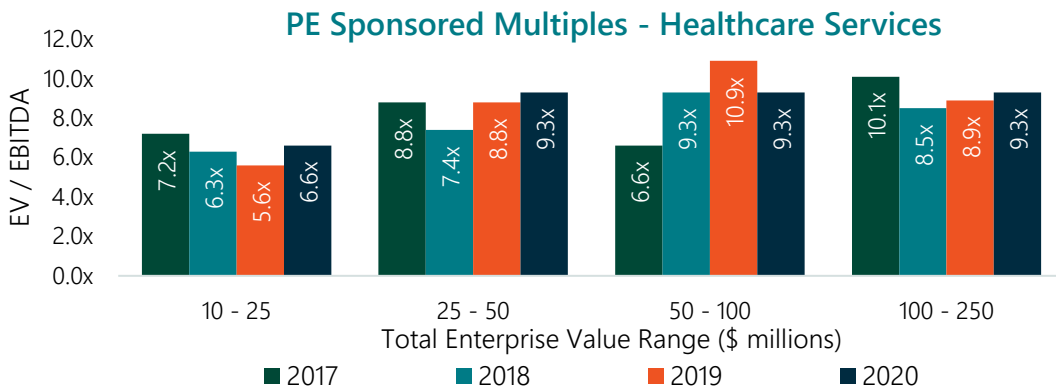
Canadian Transactions
70

Canadian Transaction Value
\$734 million
(-4.0% vs. Q4 2020)

US Transaction Value
\$7.3 billion
(-8.9% vs. Q4 2020)

US Transactions
551

Healthcare merger and acquisition activity in the first quarter of 2021 exceeded \$8.0 billion in disclosed transaction value across 621 deals in Canada and the US. The average deal size among disclosed transactions was \$13.0 million, a slight decline from \$15.7 million in the fourth quarter of 2020. In Canada, the top healthcare sub-sectors for deal activity in the quarter were healthcare services (16), healthcare technology (14), pharmaceuticals (14) and healthcare facilities (7). Together, these sub-sectors accounted for over 73% of Canadian healthcare deal volume. In 2020, industry EV/EBITDA multiples (based on private equity transactions listed below) increased 18% from the previous year, and had an average multiple of 6.6x for lower mid-market transaction values (\$10-25 million range).



Source: GF Data. Data as of February 2021.

Select Recent M&A Transactions



has acquired



| | |
|-------------------|---------------|
| Closed | Dec. 31, 2020 |
| Transaction Value | Not disclosed |
| TEV/EBITDA | Not disclosed |
| Location (Vendor) | Dartmouth, NS |



MNP Corporate Finance Inc. acted as exclusive financial advisor to Clinical Logistics Inc. in structuring and negotiating this transaction.

- Clinical Logistics Inc. is a contract research organization providing clinical trial services to multi-national pharmaceutical companies.
- Caprion Biosciences is a leading provider of specialized immunology and proteomics services to the biopharmaceutical industry.

A Confidential Buyer

has acquired

NorDon Medical Enterprises Ltd.

| | |
|-------------------|---------------|
| Closed | Feb 1, 2021 |
| Transaction Value | Not disclosed |
| TEV/EBITDA | Not disclosed |
| Location (Vendor) | Saskatoon, SK |



MNP Corporate Finance Inc. acted as exclusive financial advisor to NorDon Medical Enterprises Ltd. in structuring and negotiating this transaction.

- NorDon is a specialty medical retail distribution business and pharmacy, established in the 1960s.
- The purchaser is a pharmacy and medical services group with locations in B.C., Saskatchewan, and Ontario.

Eudaimonia Rx

has acquired

Falher Pharmacy Ltd.

| | |
|-------------------|---------------|
| Closed | Feb. 28, 2021 |
| Transaction Value | Not disclosed |
| TEV/EBITDA | Not disclosed |
| Location (Vendor) | Falher, AB |



MNP Corporate Finance Inc. acted as exclusive financial advisor to Falher Pharmacy Ltd. in structuring and negotiating this transaction.

- Falher Pharmacy Ltd. includes two pharmacies (Falher and McLennan I.D.A. Pharmacy) located in the Peace Country region of northern Alberta.
- Eudaimonia Rx is an owner-operated chain of pharmacies with locations in Grande Prairie and Valleyview, Alberta.

A Confidential Buyer

has acquired

The Drug Store and Hazeldean Drug Mart

| | |
|-------------------|---------------|
| Closed | Feb. 28 2021 |
| Transaction Value | Not disclosed |
| TEV/EBITDA | Not disclosed |
| Location (Vendor) | Edmonton, AB |



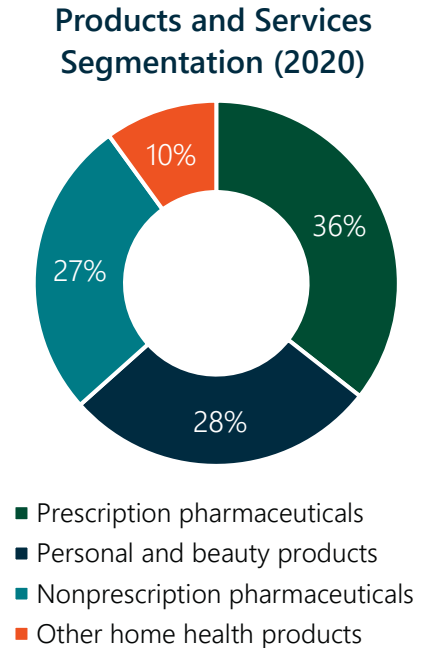
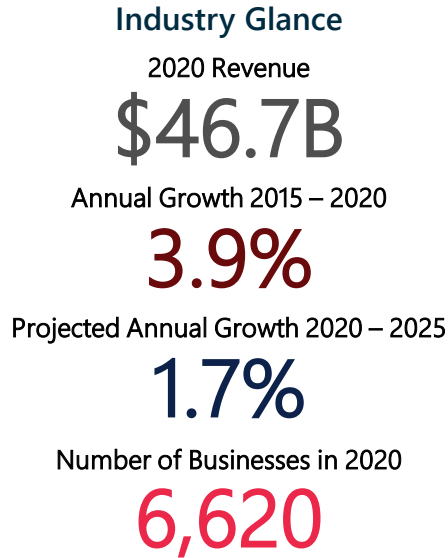
MNP Corporate Finance Inc. acted as exclusive financial advisor to The Drug Store and Hazeldean Drug Mart in structuring and negotiating this transaction.

- The Drug Store and Hazeldean Drug Mart are well established neighbourhood clinics which have served the local community for more than 30 years.
- The purchasers of the pharmacies are experienced in both pharmacy management and customer service.

Industry Overview

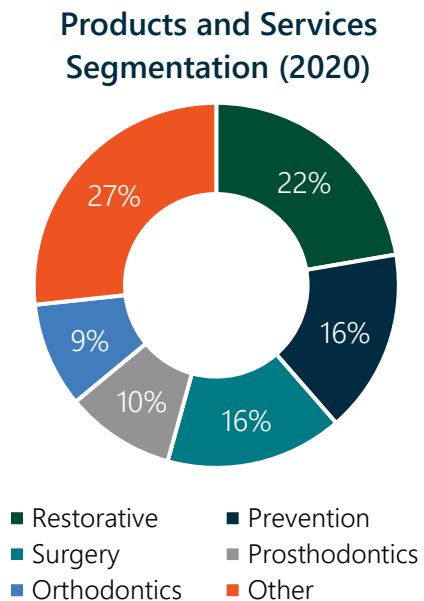
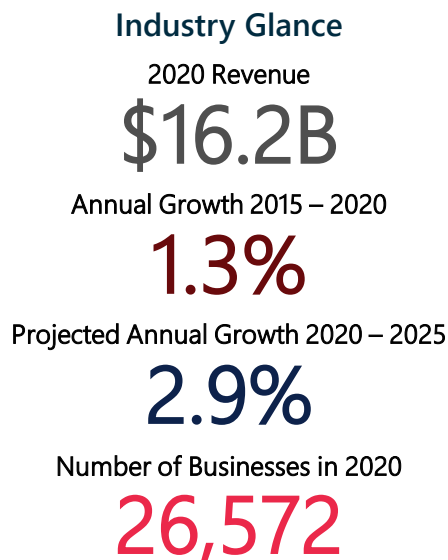
Pharmacies and Drug Stores in Canada

The pharmacy and drug store industry includes the retailing of prescription and over-the-counter medications, health and beauty items, toiletries, and consumable goods directly to consumers.



Dentistry in Canada

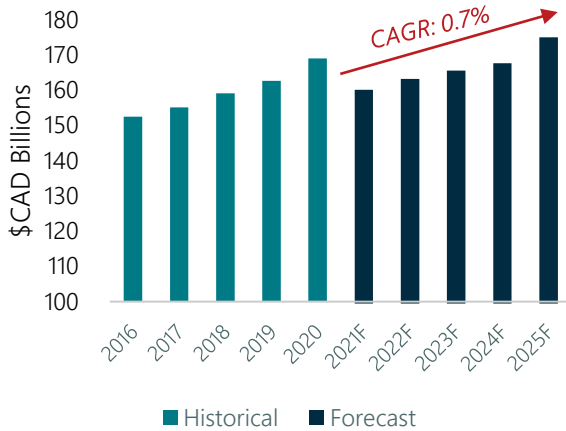
The dental industry captures establishments of licenced dentists engaged in private or group practice offering orthodontics, periodontics, surgery, prevention, and other products and services.



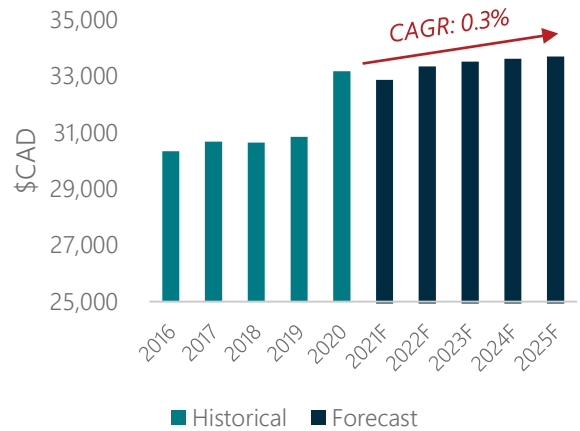
Macroeconomic Indicators

The healthcare industry is affected by a number of key macroeconomic industry growth drivers. Below, we highlight total public and private health expenditure, per capita disposable income, national unemployment rates, and the aging population in Canada. According to economic trend projections, industry growth is expected to continue over the five years to 2025, as pharmaceuticals continue to account for a large share of health expenditures. Furthermore, as research and development expenditure continues to rise, more pharmaceuticals will come off pharmaceutical manufacturers' drug pipelines, thus benefiting the industry.

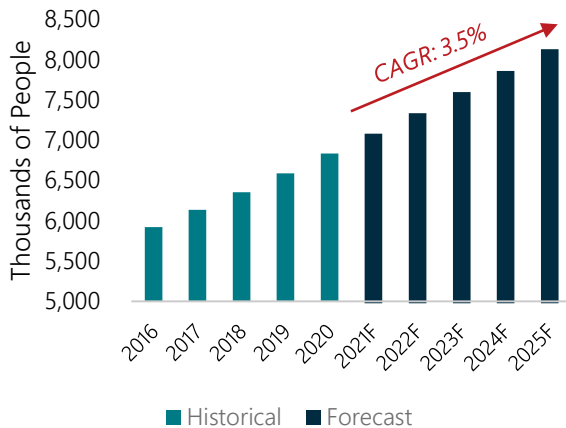
Total Health Expenditure - Canada



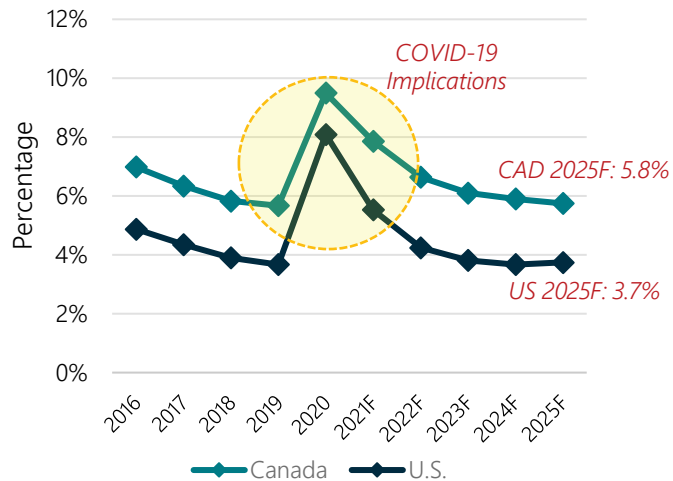
Per Capita Disposable Income - Canada



Population Aged Over 65 - Canada



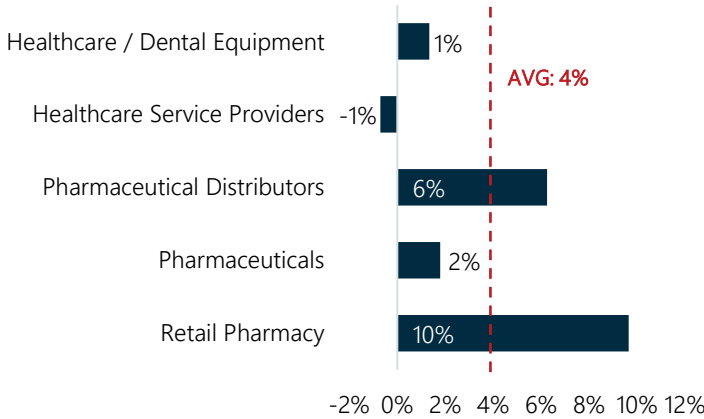
National Unemployment Rate



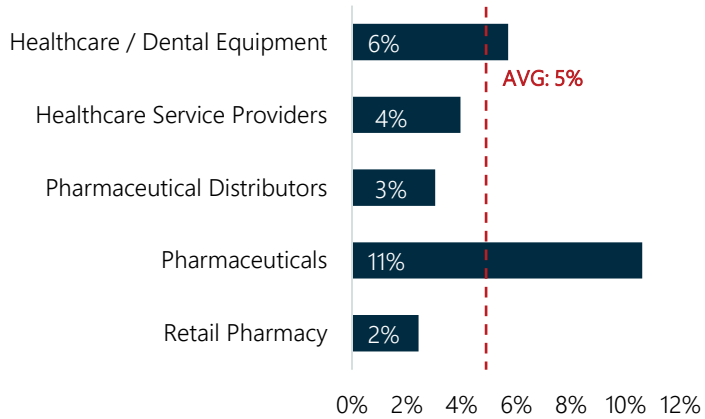
Public Comparable Analysis

Growth, Margins & Multiples

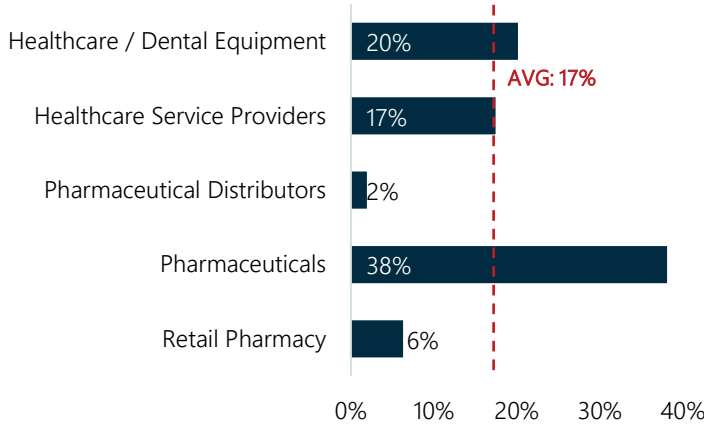
LTM Revenue Growth



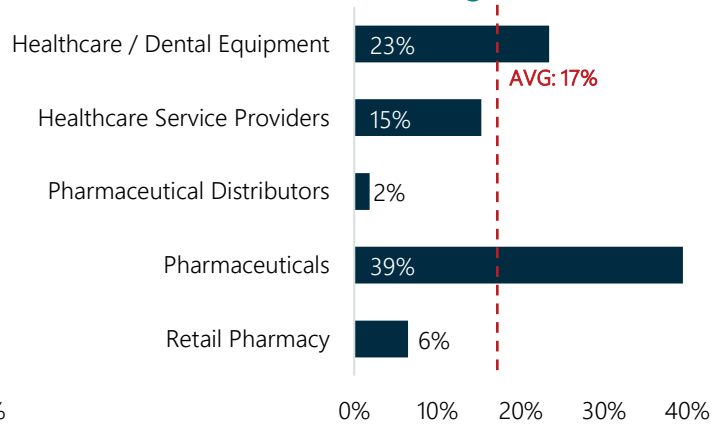
NTM Revenue Growth



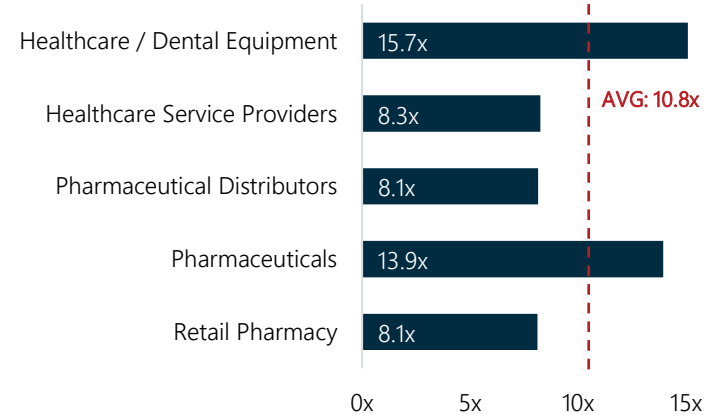
LTM EBITDA Margin



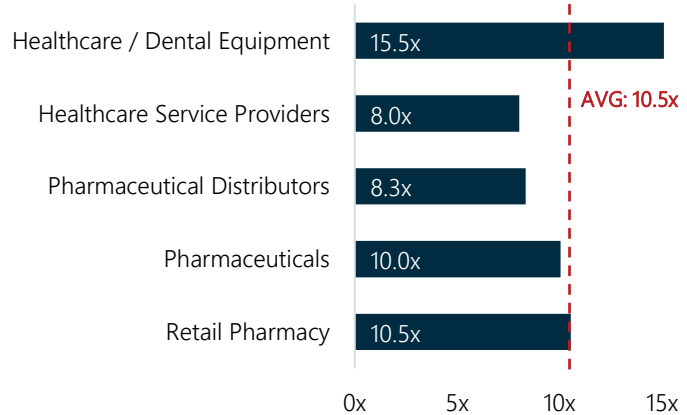
NTM EBITDA Margin



LTM EV/EBITDA



NTM EV/EBITDA



Source: Capital IQ. Data as of March 31, 2021.

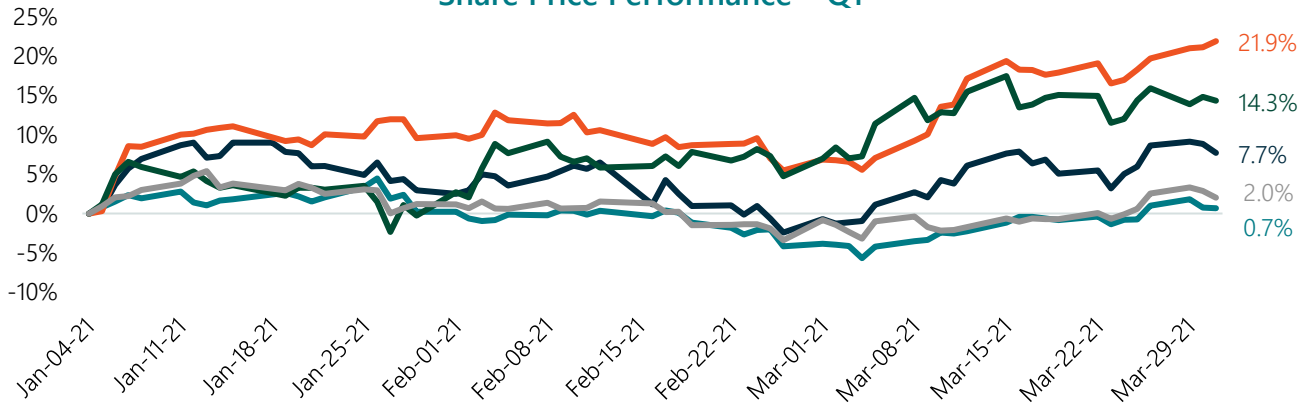
Valuation details provided on page 8.

"LTM" refers to last twelve months. "NTM" refers to next twelve months.

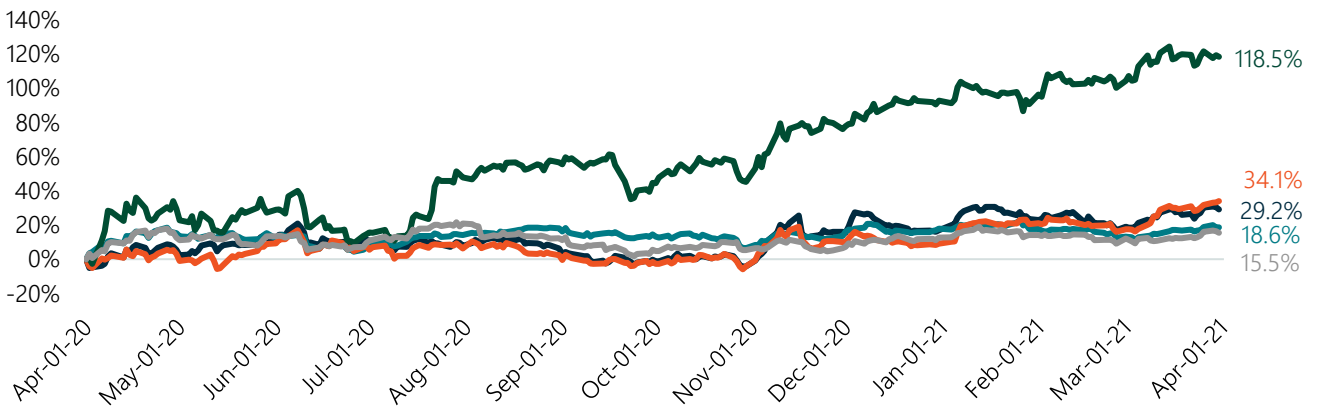
Public Comparable Analysis

Performance Analysis

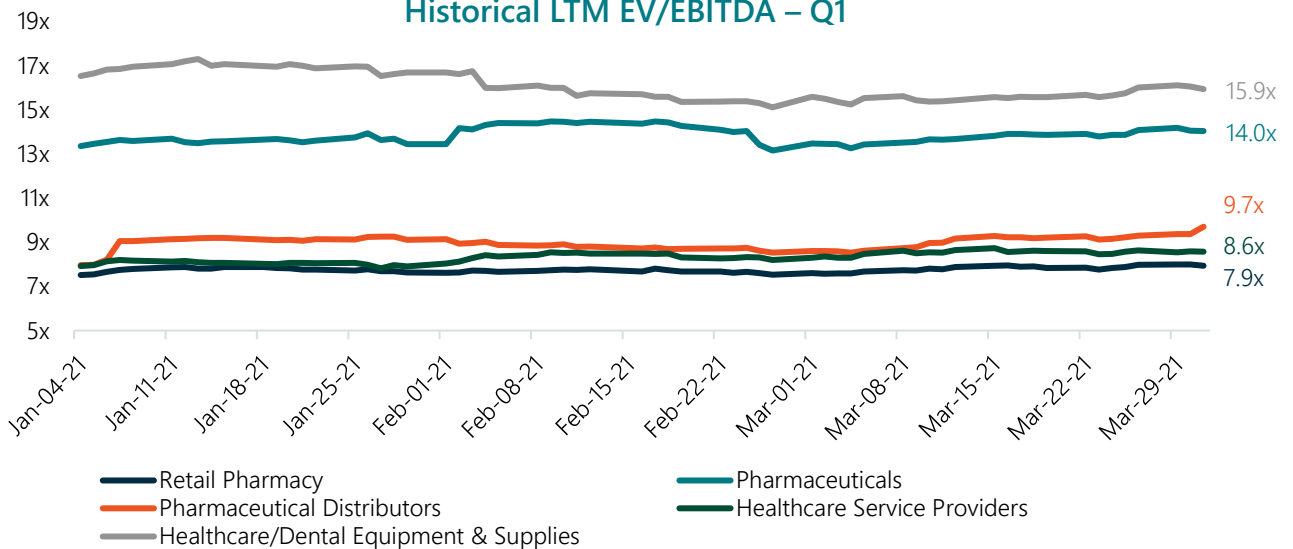
Healthcare Peer Group Share Price Performance – Q1



Share Price Performance – LTM



Historical LTM EV/EBITDA – Q1



Source: Capital IQ. Data as of March 31, 2021.
Further details provided on page 8.
"LTM" refers to last twelve months.

Public Comparable Analysis

Trading Multiples & Operating Statistics

We have selected a group of publicly traded healthcare entities for this high-level analysis. These public companies help act as a proxy for the industry and provide strong industry context.

(Figures in CAD millions, except percentages and ratios)

| Company | Market Capitalization | Enterprise Value | LTM Operating Figures | | | | NTM Consensus Estimates | | | Valuation | |
|---|-----------------------|------------------|-----------------------|----------------|-----------------|---------------|-------------------------|---------------|---------------|---------------|-------------|
| | | | Revenue | Revenue Growth | EBITDA | EBITDA Margin | Revenue Growth | EBITDA Margin | NTM EV/EBITDA | LTM EV/EBITDA | LTM EV/REV |
| Retail Pharmacy | | | | | | | | | | | |
| CVS Health Corporation | \$124,093 | \$217,804 | \$341,368 | 4.7% | \$27,191 | 8.0% | 2.4% | 6.4% | 9.6x | 8.1x | 0.6x |
| Rite Aid Corporation | \$1,421 | \$9,396 | \$30,536 | 9.6% | \$1,602 | 5.2% | 0.8% | 2.2% | 13.9x | 5.3x | 0.3x |
| CareRx Corporation | \$159 | \$226 | \$162 | 30.1% | \$10 | 6.3% | 28.1% | 10.2% | 10.5x | 22.1x | 1.4x |
| Median | \$1,421 | \$9,396 | \$30,536 | 9.6% | \$1,602 | 6.3% | 2.4% | 6.4% | 10.5x | 8.1x | 0.6x |
| Mean | \$41,891 | \$75,809 | \$124,022 | 14.8% | \$9,601 | 6.5% | 10.5% | 6.3% | 11.3x | 11.8x | 0.8x |
| Pharmaceuticals | | | | | | | | | | | |
| Johnson & Johnson | \$544,262 | \$556,161 | \$105,930 | 1.8% | \$35,733 | 33.7% | 10.6% | 35.5% | 13.4x | 16.1x | 5.4x |
| Merck & Co., Inc. | \$245,363 | \$277,409 | \$61,154 | 2.5% | \$24,740 | 40.5% | 6.5% | 41.7% | 10.0x | 11.4x | 4.6x |
| Pfizer Inc. | \$254,212 | \$291,026 | \$53,399 | 1.8% | \$20,334 | 38.1% | 43.8% | 39.5% | 9.5x | 14.5x | 5.5x |
| Viatis Inc. | \$21,211 | \$52,884 | \$15,222 | 3.9% | \$3,842 | 25.2% | 43.8% | 35.9% | 6.7x | 13.9x | 3.5x |
| Bausch Health Companies Inc. | \$14,200 | \$43,972 | \$10,228 | (6.7%) | \$4,123 | 40.3% | 6.2% | 39.7% | 10.1x | 10.8x | 4.4x |
| Median | \$245,363 | \$277,409 | \$53,399 | 1.8% | \$20,334 | 38.1% | 10.6% | 39.5% | 10.0x | 13.9x | 4.6x |
| Mean | \$215,849 | \$244,291 | \$49,187 | 0.6% | \$17,754 | 35.6% | 22.2% | 38.5% | 10.0x | 13.3x | 4.7x |
| Pharmaceutical Distributors | | | | | | | | | | | |
| Walgreens Boots Alliance, Inc. | \$59,693 | \$111,938 | \$180,988 | 9.8% | \$9,143 | 5.1% | (7.1%) | 5.1% | 12.8x | 12.4x | 0.6x |
| McKesson Corporation | \$39,049 | \$48,646 | \$302,777 | 5.6% | \$6,423 | 2.1% | 2.7% | 1.9% | 8.0x | 7.7x | 0.2x |
| AmerisourceBergen Corporation | \$30,402 | \$30,256 | \$247,890 | 6.9% | \$3,555 | 1.4% | 5.6% | 1.3% | 8.7x | 8.6x | 0.1x |
| Cardinal Health, Inc. | \$22,441 | \$26,214 | \$199,351 | 4.5% | \$3,500 | 1.8% | 3.4% | 1.7% | 7.2x | 7.6x | 0.1x |
| Median | \$34,726 | \$39,451 | \$223,621 | 6.2% | \$4,989 | 1.9% | 3.0% | 1.8% | 8.3x | 8.1x | 0.1x |
| Mean | \$37,896 | \$54,263 | \$232,752 | 6.7% | \$5,655 | 2.6% | 1.1% | 2.5% | 9.2x | 9.1x | 0.3x |
| Healthcare Service Providers | | | | | | | | | | | |
| HCA Healthcare, Inc. | \$79,823 | \$121,978 | \$66,226 | 1.9% | \$14,804 | 22.4% | 4.7% | 19.9% | 9.1x | 8.9x | 1.9x |
| Universal Health Services, Inc. | \$14,277 | \$18,125 | \$14,728 | 1.6% | \$2,532 | 17.2% | 3.3% | 14.9% | 8.0x | 7.3x | 1.2x |
| Tenet Healthcare Corporation | \$6,964 | \$28,748 | \$22,517 | (3.0%) | \$3,975 | 17.7% | 9.9% | 15.6% | 7.6x | 7.6x | 1.3x |
| Community Health Systems, Inc. | \$2,127 | \$16,941 | \$15,022 | (10.8%) | \$1,718 | 11.4% | 0.2% | 13.8% | 8.1x | 10.0x | 1.1x |
| Median | \$10,621 | \$23,437 | \$18,769 | (0.7%) | \$3,253 | 17.4% | 4.0% | 15.2% | 8.0x | 8.3x | 1.3x |
| Mean | \$25,798 | \$46,448 | \$29,623 | (2.6%) | \$5,757 | 17.2% | 4.5% | 16.0% | 8.2x | 8.4x | 1.4x |
| Healthcare/Dental Equipment & Supplies | | | | | | | | | | | |
| Becton, Dickinson and Company | \$88,868 | \$107,178 | \$23,199 | 4.9% | \$6,929 | 29.9% | 2.9% | 28.2% | 15.8x | 15.7x | 4.7x |
| Baxter International Inc. | \$53,657 | \$57,570 | \$14,874 | 2.7% | \$3,657 | 24.6% | 5.2% | 23.4% | 15.5x | 15.9x | 3.9x |
| DENTSPLY SIRONA Inc. | \$17,582 | \$20,081 | \$4,258 | (17.1%) | \$856 | 20.1% | 21.6% | 23.4% | 16.4x | 23.8x | 4.8x |
| Henry Schein, Inc. | \$12,391 | \$14,334 | \$13,022 | 1.3% | \$1,068 | 8.2% | 11.1% | 8.0% | 12.3x | 13.7x | 1.1x |
| Patterson Companies, Inc. | \$3,825 | \$4,631 | \$7,173 | (0.1%) | \$453 | 6.3% | 5.7% | 5.3% | 11.5x | 10.3x | 0.7x |
| Median | \$17,582 | \$20,081 | \$13,022 | 1.3% | \$1,068 | 20.1% | 5.7% | 23.4% | 15.5x | 15.7x | 3.9x |
| Mean | \$35,265 | \$40,759 | \$12,505 | (1.6%) | \$2,593 | 17.8% | 9.3% | 17.7% | 14.3x | 15.9x | 3.0x |

About Us



MNP Corporate Finance (MNPCF) has a dedicated team of over 85 merger, acquisition, and transaction professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

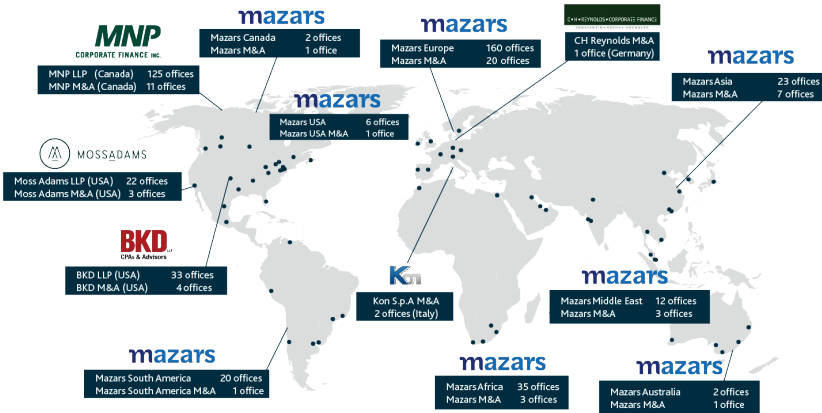
Our typical transactions range in value between \$3 million and \$300 million.

Local and International Reach

MNP is a participating firm within Praxity, a unique global alliance of independent accounting/advisory firms created to answer global business needs. As a member of Praxity, we are able to offer access to corporate finance, accounting, and tax advisory services worldwide. We are also affiliated with Corporate Finance Cross Border, which consists of 250+ M&A professionals in more than 30 countries.



CFxB CFXborder - Global reach with local relationships
Our corporate finance team through CFXb consists of 250 plus M&A professionals in more than 30 countries



Services

- Divestitures
- Acquisitions
- Debt Financing
- Due Diligence
- Transaction Advisory Services

Recently Closed Deals (National)

MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 360 Solutions Ltd.

MNP Corporate Finance Inc. provided due diligence services to Summit Ridge Capital.

MNP Corporate Finance Inc. acted as exclusive financial and tax due diligence services to Falher Pharmacy Ltd. in structuring and negotiating this transaction.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Arviat Equity Partners.

MNP Corporate Finance Inc. acted as exclusive financial advisors in arranging this debt raise.

MNP Corporate Finance Inc. acted as exclusive financial advisor to The Drug Store and Hazeldean Drug Mart in structuring and negotiating this transaction.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Sangoma Technologies Corporation.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Red Arts Capital.

MNP Corporate Finance Inc. provided financial and tax due diligence services to PFM Capital Inc.

MNP Corporate Finance Inc. provided financial and tax due diligence services to Forage Capital Partners and Roynat Equity Partners.

About Us

Deal Experience

Since our inception, our team has advised on hundreds of transactions, in a wide range of industries with diverse enterprise values. In the past five years alone we have completed over 125 transactions worth over \$2 billion (not including due diligence engagements).

Industry Experience

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Health Care
- Pharmaceutical
- Transportation
- Construction
- Software
- Financial Services
- Technology
- Energy
- Oilfield Services
- Real Estate

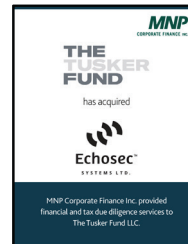
Hands-on Approach

Current M&A transactions require a hands-on approach from start to finish including the active engagement of senior resources. Our senior resources are dedicated to our clients and are available as necessary and appropriate. We keep our clients regularly informed of the engagement status, issues we are encountering, successes and overall progress.

Integrated Service Offering

We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement and risk management.

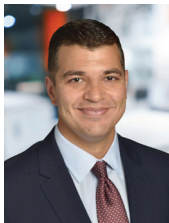
Recently Closed Deals (National)



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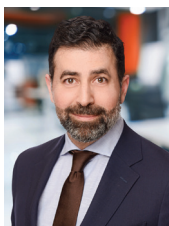
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