CASCADIA
CAPITAL LLC

Trust. Experience. Independence. Results.

Telehealth 2020 and Beyond

Cascadia Capital Industry Insights

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MEMBER FINRA / SIPC

Executive Summary

Overview

Telehealth has been around for nearly thirty years but has only recently gained traction. A growing provider shortage, especially in rural areas, and the increasing need to keep healthcare costs at bay have led to favorable regulations and increased adoption in recent years. Telehealth is well-designed for social distancing, which has propelled telehealth to the forefront of healthcare. The COVID-19 pandemic has catalyzed rapid regulatory and reimbursement shifts favoring telehealth as providers strive to meet demand for care. The pandemic has also increased awareness and comfort with the service among both patients and providers, cementing its future role along the care continuum. While uncertainty exists around the permanence of regulatory rollbacks, executives remain confident in the service's staying power.

Key Market Drivers

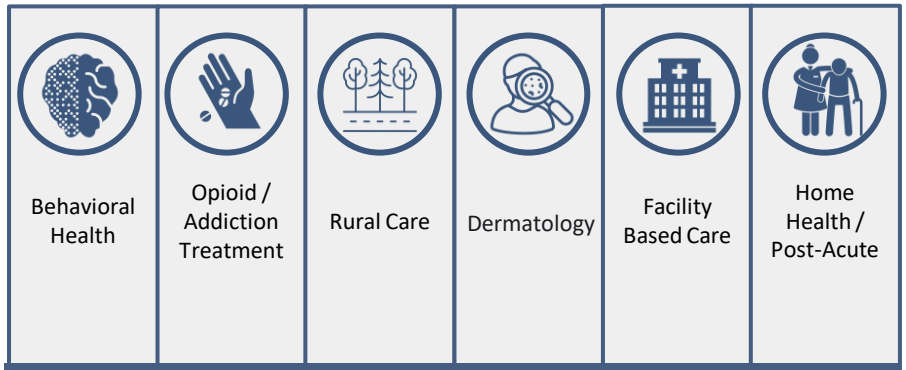
Cost Savings and Convenience
Rising care costs and an increased financial burden on the patient make telehealth an attractive care option. Telehealth has been shown to reduce spending and utilization

Provider Shortages
Telehealth expands access to care in the face of a growing shortage of clinicians, especially in rural areas, while reducing the financial burden on all parties involved

Regulatory Shifts
Telehealth saw increased support at the federal and state level before the pandemic, with movement toward a defined regulatory framework in 2019

COVID and Social Distancing
Telehealth allows for continued access to care while limiting risk of exposure. Regulations and reimbursements are trending favorably

Key Trends



Telehealth by the Numbers

~3x
Increase in March and April patient volumes for major players[1]

1BN +
Projected virtual care interactions in 2020[2]

$200MM
In FCC funding through COVID-19 Telehealth Program[3]

$38.3BN
Market Size in 2018[4]

Telehealth is changing the way healthcare is provided to the consumer

Source: 1. Healthcare Dive, 2. Forrester Research, 3. Federal Communications Commission, 4. Global Market Insights

Key Trends in Telehealth

Telehealth services have been adopted at a robust pace over the past few years. Cascadia has identified six sub-verticals positioned to capitalize on the increasing prevalence of telehealth technologies across the care continuum

Behavioral Health

- Increased usage of telehealth solutions has enabled **convenient** and **affordable** mental healthcare services, which are **easily integrated** with primary care improving care continuity and ultimately leading to **better patient outcomes**
- Patients respond well to video-based telepsychiatry services, **reducing the stigma** of seeking help

Opioid / Addiction Treatment

- **10MM+** Americans currently abuse or depend on opioids[1]
- Many of the Americans succumbing to addiction **do not have ample access to care**, creating a sizable opportunity for telehealth to penetrate the addiction treatment segment
- The successful adoption of telehealth technologies in Behavioral Health demonstrates the **potential success** of the utilization of telemedicine to treat addiction

Access to Care in Rural Areas

- Telehealth solutions have successfully **lowered barriers to care access** in rural areas, which suffer from provider shortages, lack of specialized care facilities and hospital closures
- The **increased adoption** of remote monitoring programs and mobile device care dissemination has **decreased costly hospital admissions** by helping patients better manage chronic conditions

Dermatology

- By nature of the specialty, dermatology is among the most easily conducted via telehealth
- Using virtual platforms enables PCPs to better coordinate and manage patient care. A 2019 study showed that nearly half of virtual consults did not need an in-person follow up[2]
- In 2016, teledermatology was worth $4.4BN globally, making up 30% of the larger market[3]

Facility-Based Care

- Facility-based telehealth has potential to reduce costly admissions and referrals
- Facility-based telehealth can be of greatest service in **rural areas**, where many hospitals lack 24-hour physician service, and even more **lack adequate specialists**
- With costly penalties for readmissions and transfers, Emergency / Urgent Care Telehealth will prove invaluable to providers in the future

Home Health / Post-Acute

- Post-Acute spending accounts for a staggering **60% of total costs** in an acute episode[4]
- As the push to streamline costs and improve outcomes continues, SNFs could be among the settings most positively impacted by telehealth
- With the risk to elderly populations and the infection rate in SNFs, telehealth is well suited to **help mitigate infections**

Source: 1. CNN, 2. mHealthIntelligence, 3. Goldstein Research, 4. Sound Physicians

Telehealth Ecosystem – Telemedicine

Telemedicine makes up the first pillar of the Telehealth ecosystem and can be further subdivided by companies utilizing synchronous, asynchronous, assessment-based or in-person treatment options

Synchronous

TELADOC
babylon
PlushCare
one medical
MDLIVE
dr on demand
HealthTap
SALUS TELEHEALTH
heal
KRY
nice
StationMD
FMH first stop health
hazel
akos remedies in real time
pager

Asynchronous

98point6
Curai
CIRRUS MD
galileo
intellivisit
sherpaa
SteadyMD
Arista MD
orbita
RubiconMD
fireflyhealth
maple
LEMONAID

Health Assessments

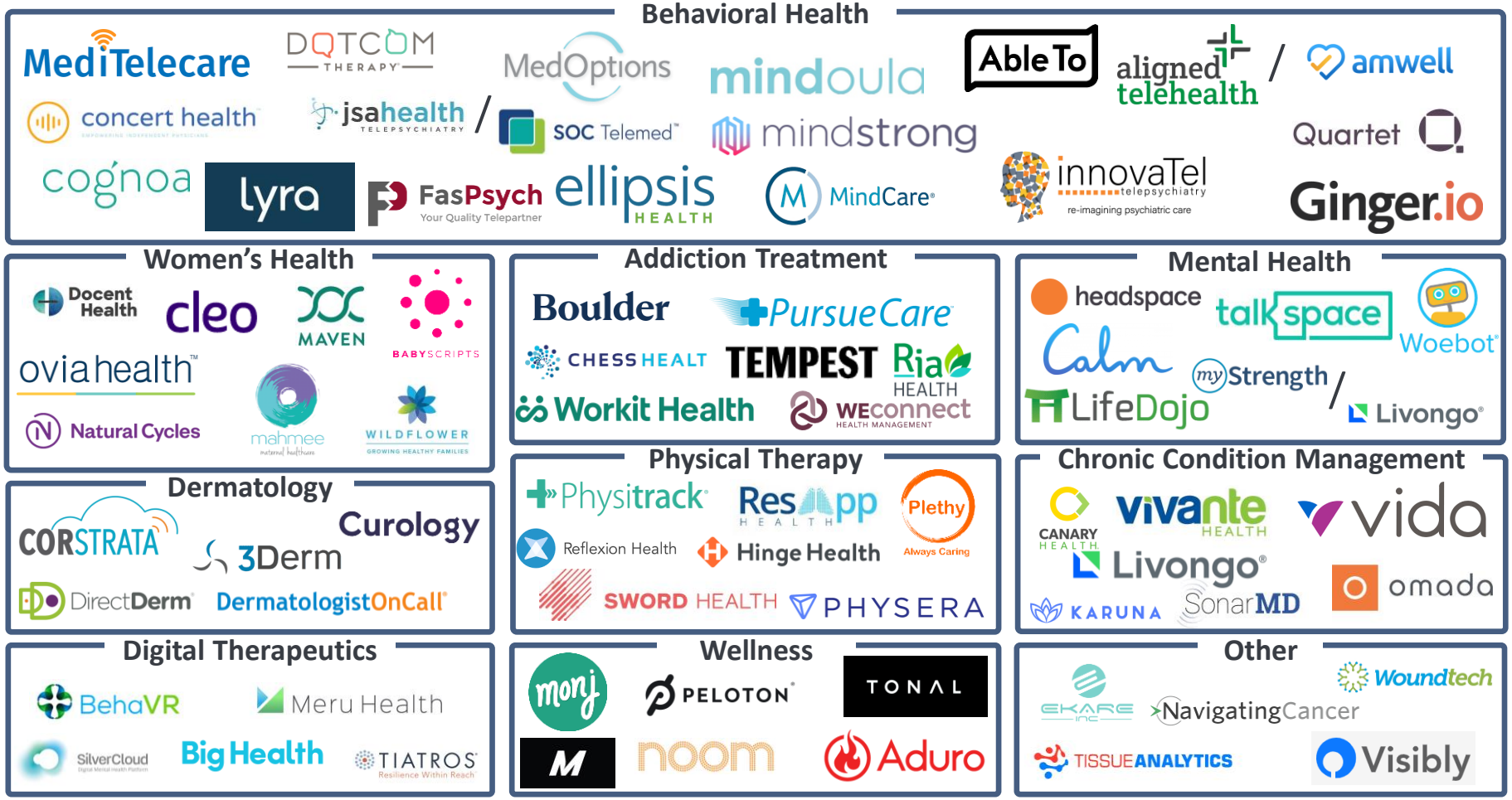
amwell
higi / stayhealthy
PURSUANT HEALTH
AIDAR
Bright.md
SpotRx Pharmacy

In-Person On-Demand Care

EZaccessMD
FetchMD
nice
medpod Augmented Medicine
dispatch HEALTH

Telehealth Ecosystem – Point Solutions

Telehealth Point Solutions make up another subsegment of the market – these include solutions designed to target specific conditions and ailments. Behavioral Health is among the largest point solution subsectors



Telehealth Ecosystem – RPM

Remote Patient Monitoring (RPM) encompasses a range of wireless tools that help providers track patient data, curb readmissions and improve outcomes for patients post-discharge

Telehealth Ecosystem – Infrastructure

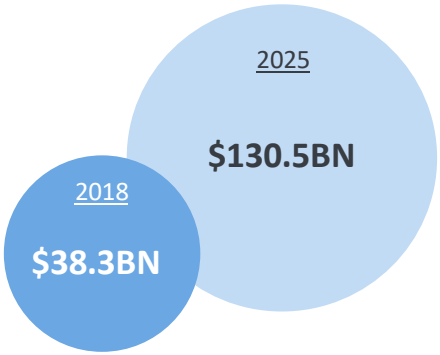
Companies across the Telehealth Infrastructure subsectors make it possible for providers to offer telemedicine solutions that seamlessly fit into a patient's care continuum

Telehealth and COVID-19: Increased Adoption

Rising healthcare costs and the necessity of social distancing have led to telehealth's increased adoption

- Before the pandemic, the telehealth market was expected to grow at 19.1% YoY from 2018 to 2025. **The current environment will only accelerate growth**
- The pandemic has **increased acceptance among providers and patients** alike
  - Numerous doctors have noted the ease of transition to telehealth and its significant staying power
  - Patients, especially younger adults, have cited convenience, health and safety as central to telehealth's appeal
- COVID-19 and **social distancing** has propelled telehealth to the forefront of healthcare
- Leading telehealth companies have made testing and appointments more accessible while **rapidly ramping their physician hiring plans**
- Social distancing and uncertainty about the future have **driven demand for behavioral telehealth**, with some providers now considering a solely virtual offering

Global Telehealth Market[1]



2 in 3	Americans say that COVID-19 has increased their willingness to try telehealth[2]
50x	Increase in Stanford Healthcare's daily telehealth encounters post-COVID[3]
1 BN	Projected virtual healthcare interactions by the end of 2020[4]

Anything that was trending prior to COVID-19 is now being amplified

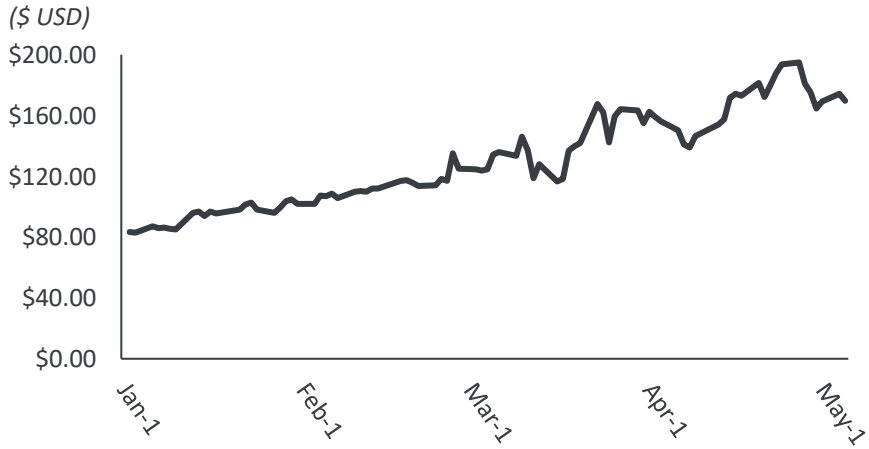
Source: 1. Global Market Insights, 2. Healthcare IT News, 3. The Mercury News, 4. Forrester Research

Telehealth and COVID-19: Strong Performance from Key Players

Notable telehealth companies are scaling up their workforce, seeing higher utilization and recording strong performance as healthcare moves virtual

- As of mid-April Teladoc's **daily patient volume was more than twice that of the entire first week of March**[1]
- The Company's Q1 **utilization grew by 70%** compared to Q1 2019. It has more than doubled its workforce, and noticed a significant uptick in utilization by 18- to 30-year-old males, a group that previously showed minimal adoption[1]
- While about 10% of new patients are COVID-related, there has been a surge in all types of ailments, especially behavioral health and dermatology[1]
- Amid the current state of public markets, **Teladoc is up over 100% YTD**[2]
- Both AmWell and 98Point6 have closed financing rounds since March and continue to perform well in the current environment
- **Usage of AmWell's platform surged 650%** in Washington state as COVID spread through the state, and had to prepone infrastructure improvements for its systems to cope with the demand[3,4]
- MDLIVE observed a **72% increase in MoM visit volume in April**, with behavioral health as a strong driver[5]
- As of May, Doctor on Demand had **expanded its services to Medicare Part B beneficiaries.** It is expected that MDLive and other players are soon to follow[1]

Teladoc Share Price[2]



~104%
YTD increase in Teladoc share price[2]

158%
Increase in nationwide AmWell app usage[3]

200%
Spike in 98Point6 clinic volume[6]

187%
YoY growth in MDLIVE's behavioral health footprint[5]

Key players are performing well and scaling rapidly in the face of COVID

Source: 1. Healthcare Dive, 2. CapitalIQ (Share price as of 05/05/2020), 3. Roll Call, 4. CNBC, 5. Markets Insider, 6. MobiHealthNews

Telehealth and COVID-19: Further Regulatory Shifts

Attempts to maintain social distancing and limit unnecessary provider to patient contact have led to further regulatory adjustments

- **In March, CMS broadened access to Medicare telehealth services** under the authority of the 1135 waiver[1]
- With this expanded access, **Medicare can pay for virtual visits for nearly all care settings**, including in a patient's place of residence[2]
- The move further relaxes the criteria for providing telehealth across state lines, as many governors are allowing out-of-state and retired physicians to provide care in their states. This also expands Medicare's telehealth coverage beyond HPSA, FDPA and non-MSA beneficiaries**. Private payors are following suit**, such as Blue Cross Blue Shield of Illinois[3]
- Through the COVID-19 Telehealth Program, **the FCC plans to provide $200MM in funding** to telehealth companies to help them expand their capabilities[4]
- As of May 7, CMS rolled back regulations even further, **now covering physical and occupational therapists and speech pathologists. CMS is also increasing reimbursements to match in-person visits**[5]
- While regulations have only been loosened for the duration of the pandemic, high adoption rates, convenience and reduced utilization could all lead to a more permanent regulatory shift in telehealth's favor

Medicare Telemedicine Services[1]

Type	Service	HCPCS/CPT Code	Patient/Provider Relationship
Medicare Telehealth Visits	A visit with a provider that uses telecommunication systems between provider and patient	**Common Services:** ▪ 99201-99215: Outpatient ▪ G0425-G0427: Emergency or initial inpatient consultations ▪ G0406-G0408: Follow-ups in hospitals or SNFs	For both new and established patients
Virtual Check-In	Brief check-ins with practitioner via telephone or other device to decide whether an in-person appointment is needed. Patient submits recording	▪ HCPCS code G2012 ▪ HCPCS code G2010	For established patients only
E-Visits	Patient-provider communication mediated through an online patient portal	▪ 99421-99423 ▪ G2061-G2063	For established patients only

Loosening restrictions and improved reimbursements are helping incent providers

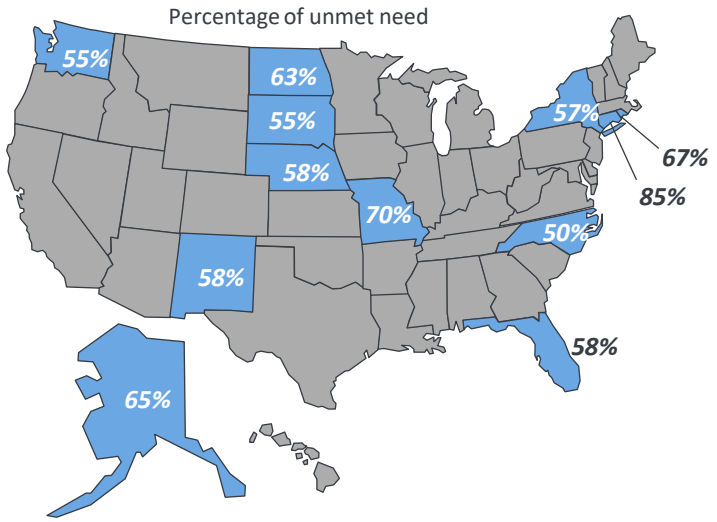
Source: 1. Center for Medicare and Medicaid Services, 2. American Medical Association, 3. Blue Cross Blue Shield Illinois, 4. Federal Communications Commission, 5. Healthcare Dive

Tailwinds: The Growing Rural Provider Shortage

Telehealth is well-suited to address the growing physician shortage, especially in rural America

- America's growing physician shortage is amplified in rural areas, where **only 9% of physicians serve 20% of the nation's population**[1]
- One third of all U.S. physicians will be over 65 by 2030, threatening to send care costs up and further diminish rural access to care[2]
- **People in rural areas are more likely to die from leading causes of death** due to these growing barriers and minimal monitoring of chronic illnesses, worsened by the void of care and a higher concentration of the elderly in rural areas
- **Telehealth has proven instrumental in expanding rural Americans' access to care** while also limiting financial risks to hospitals**,** delivering timely care and limiting costly transfers at rural hospitals, **many of which lack 24-hour physician care**
- Rural patients have less commuting costs to bear, and don't have to worry about their medical history being lost along the care continuum – many **platforms store full patient history, making it easily available to their remote care providers**
- Remote patient monitoring has helped rural patients more **effectively manage chronic ailments and mental health conditions in their home**

America's Primary Care Shortage[2]



39.8:100,000	Physician to population ratio in rural areas[2]
~105,000	Estimated physician shortage by 2030[3]

Telehealth is increasing access to cost-effective care in rural areas

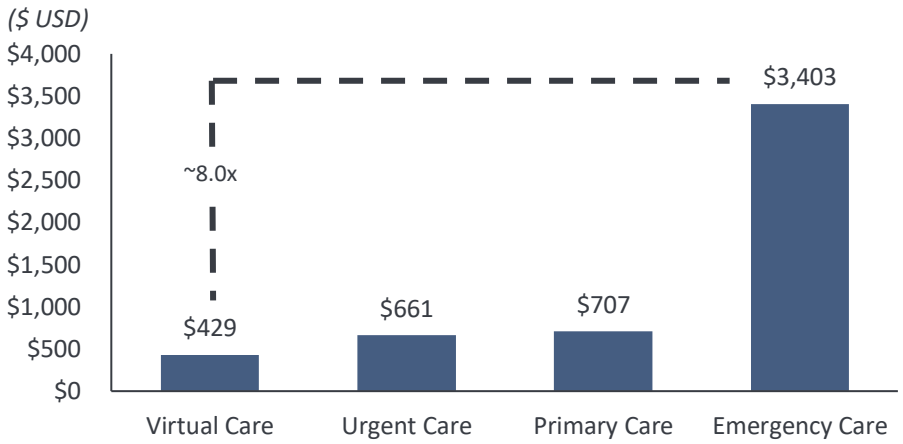
Source: 1. First Healthcare Compliance, 2. Altruis, 3. Association of American Medical Colleges

Tailwinds: Value-Based Care and Cost Reduction

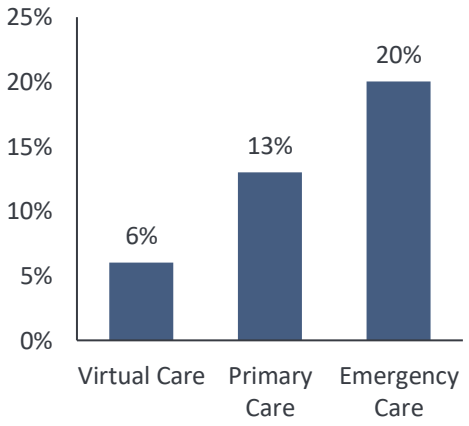
The shift to value-based care and the trending consumerization of healthcare will help propel the growth of telehealth in the future

- The prevalence of Accountable Care Organizations (ACOs) has risen alongside the shift toward value-based care; **telehealth helps ACOs coordinate care and reduce costs**
- High-deductible plans and the shift to fee for value are **causing consumers to shoulder a greater burden for their care**, increasing the need for more convenient and cost-effective alternatives
- Telehealth offers a **less costly solution for chronic disease management**, which currently accounts for a large part of U.S. healthcare expenditure
- Based on timing of visits, **telehealth can also divert patients away from costly ER visits**, especially on the weekends
- Initial consultations conducted via telehealth have been shown to **decrease utilization by over half** when compared to an office visit[(1)]
- The VA, a pioneer in telehealth adoption in the U.S., estimates an annual savings of $6,500 per patient that participates in its telehealth program[(1)]
- Self-insured employers have historically observed around $200 in net savings per visit by utilizing telehealth[(2)]

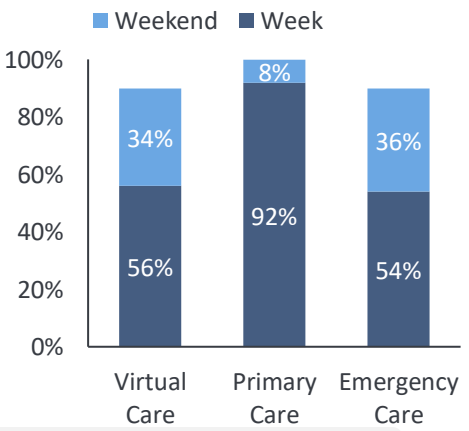
Care Cost by Setting for Low-Acuity Urgent Conditions[(1)]



Follow-up Visits Required by Setting[(1)]



Timing of Visits by Setting[(1)]



Telehealth reduces costs and utilization – key in the shift to Value-Based Care

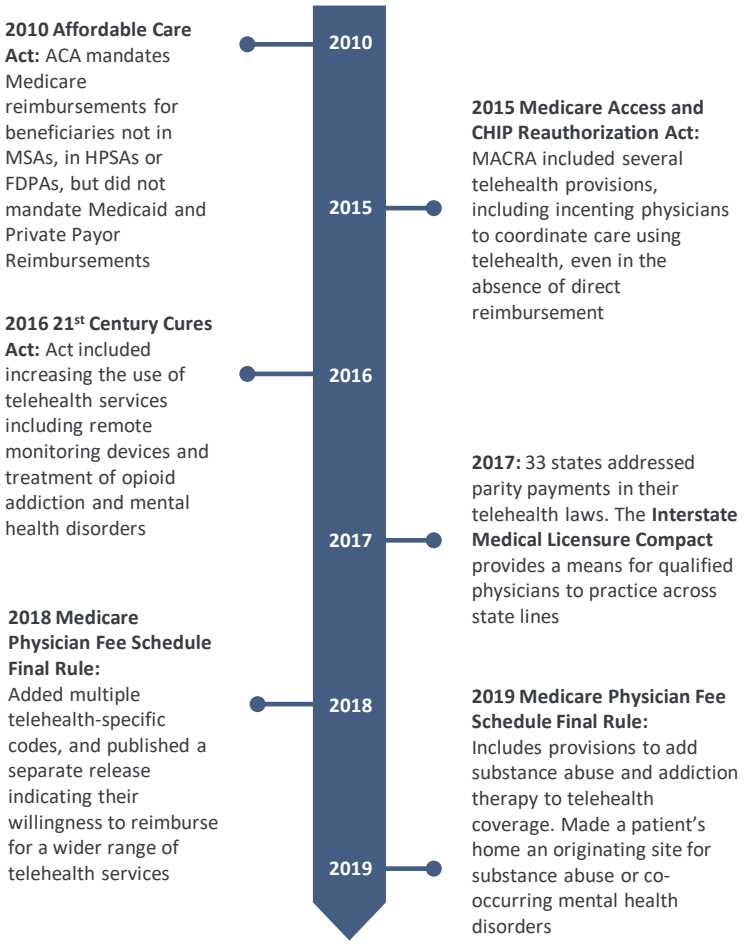
Source: 1. American Healthcare Association, 2. Healthcare IT News

Tailwinds: Pre-COVID Regulatory Shifts

Increased regulatory support at both the Federal and State levels pre-COVID laid the groundwork for advances in the current environment

- 2019 was a banner year for telehealth, creating a defined regulatory framework. However, irregularities at the state level remained
- Last year, CMS issued CPT code 99457, the **first code offering reimbursement for remote monitoring**, decreasing the reimbursement gap with live video treatment(1)
- Support from the Federal government was found in the **Mental Health Telemedicine Expansion Act**, which would make it easier for the elderly to receive behavioral health care via telemedicine, and the **CONNECT for Health Act**, which seeks to reduce Medicare's limitations on telehealth coverage(1)
- California was leading the push for greater telehealth reimbursement. Bill AB-744, approved by the state senate last September, would result in telehealth being reimbursed at the same rate as in-person encounters(2)
- Behavioral health was insulated from state-level irregularities, with **all 50 states and Washington D.C. now covering behavioral telehealth treatment via Medicaid**

Telehealth Legislative Milestones(3)



The continued breakdown of regulatory barriers is propelling telehealth forward

Source: 1. Center for Connected Health Policy, 2. Healthcare Finance, 3. First Healthcare Compliance

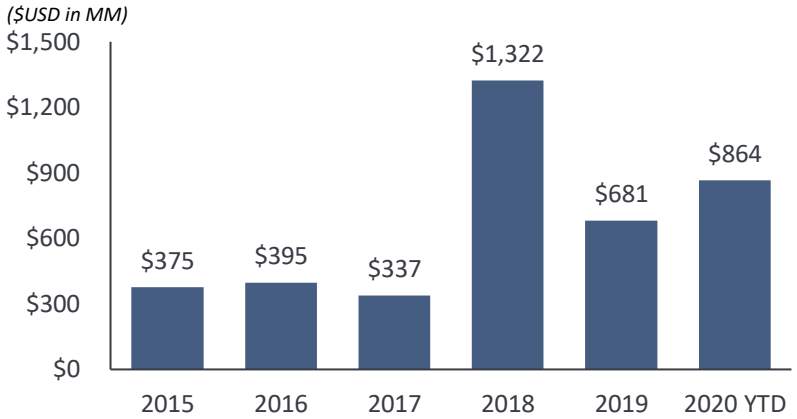
Telehealth Deal Activity

Telemedicine is seeing notable upticks in capital investment and deal volume, with COVID-19 further bolstering the need for virtual care

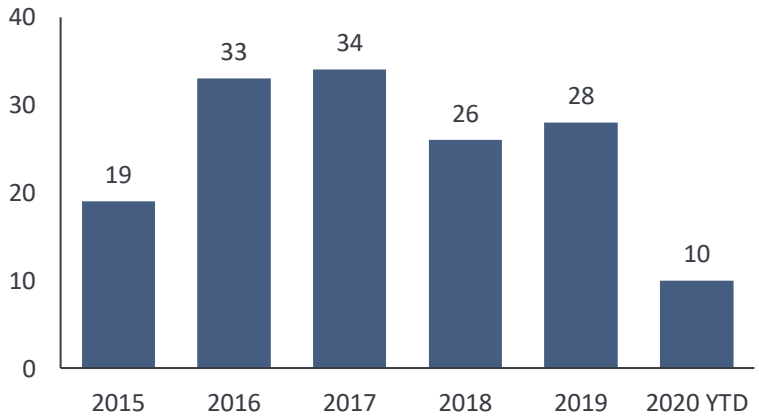
Highlights and Considerations

- Teladoc (NYS: TDOC) has been among the most acquisitive strategic companies
  - Deals include $351MM acquisition of Advance Medical in 2018, and $600MM acquisition of InTouch Health in 2020[1]
- COVID-19 has cemented telemedicine's role in the future of care as adoption and acceptance have increased
  - The Federal government has proposed a $200MM program to fully fund telehealth services for eligible providers[2]
- Industry leaders like Doctor on Demand, MD Live, PlushCare, and 98Point6 are drastically ramping up their workforce to meet need[3]

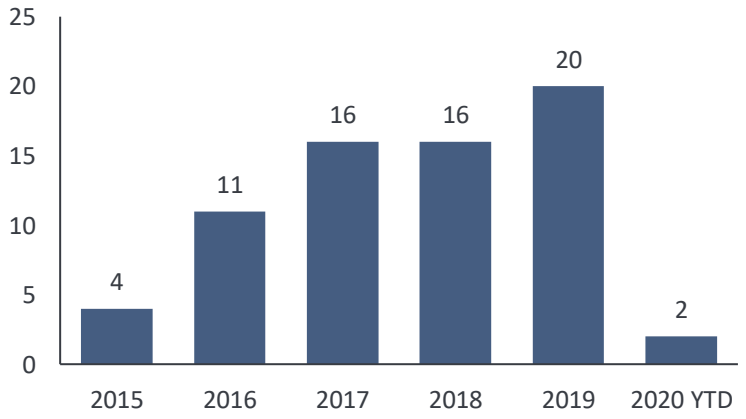
Total Financing and M&A Deal Volume[1]



Total Financing Deal Volume[1]



Total M&A Deal Volume[1]



Source: 1. Pitchbook, 2. Federal Communications Commission, 3. Healthcare IT News

Notable Telehealth Case Studies

amwell

March 2020

Investors (latest round):

Undisclosed

Pre Money: $911.9MM

Deal Size: $59.9MM (8th Round)

Raised to Date: $653.5MM

Subsector: Primary Care

Company Description: AmWell is a provider of telehealth services, including urgent care, behavioral health, chronic care and pediatrics, aiming to improve quality of care and patient outcomes

Rationale: Following a $32MM raise from SV Health Investors in November 2019, AmWell closed this round from undisclosed investors to continue scaling the business and expand its workforce

talkspace

May 2019

Investor (latest round):

revolutiongrowth

Pre Money: $260.0MM

Deal Size: $50.0MM (Series D)

Raised to Date: $109.6MM

Subsector: Behavioral Health

Company Description: Talkspace provides an online therapy platform to eliminate stigmas associated with mental illness and expand availability and access to therapy. The Company provides on-demand therapy, where patients can instantly message a therapist

Rationale: Talkspace raised $50.0MM in May 2019, following a $31MM round two years prior. The funds will be used to accelerate the growth of Talkspace's commercial business

MDLIVE

August 2018

Investor (latest round):

healthvelocity CAPITAL

Pre Money: $300.0MM

Deal Size: $50.0MM (Series E)

Raised to Date: $126.6MM

Subsector: Primary Care

Company Description: MDLIVE is a provider of online healthcare delivery services and software, with a platform that helps patients, providers and payors to collaborate seamlessly. MDLIVE specializes in Primary Care, Behavioral Health, and Dermatology

Rationale: The Company raised a $50.0MM round in August 2018. Participants included Health Velocity, Novo Holdings, HCSC Ventures and Sutter Health. The Company used the funds to continue scaling the business

98point6

April 2020

Buyer:

Goldman Sachs

Pre Money: $170.0MM

Deal Size: $43.0MM (Series D)

Raised to Date: $133.9MM

Subsector: Primary Care

Company Descriptions: 98point6 provides a virtual clinic where physicians can diagnose, treat, prescribe, order labs and follow up with patients via their AI-powered, text-based mobile platform

Rationales: Following a $50.0MM raise for 98point6, Goldman Sachs Merchant Bank led a $43.0MM round in April 2020 to help the Company triple its workforce in the face of COVID-19

Our Firm

Founded in 1999

Cascadia has a successful 20 year history

50+	investment banking professionals
16	Managing Directors
365+	transactions completed, with more than $12.6 billion in aggregate value

Headquartered in Seattle, with offices in Los Angeles, Minneapolis and New York

Leading diversified investment bank

- M&A, private placements, advisory services
- Specialized in-depth expertise across multiple industry verticals
- Representing clients in the US and globally, including Europe, Asia and Australia

Experienced team with successful track record

- Cascadia is the investment bank of choice for entrepreneurs and family-owned companies
- Decades of investment banking and operational expertise
- Deep capital markets expertise

Providing a Full Suite of Banking Services

MERGERS & ACQUISITIONS

We have completed hundreds of M&A transactions ranging in size from $20-$500 million. Our thorough and disciplined process, in combination with our deep industry expertise, has resulted in a proven track record of delivering successful outcomes for our clients.

CORPORATE FINANCE

We have extensive experience placing equity and debt capital ranging from $10-$250 million. We leverage our deep relationships with institutional investors; including private equity, growth equity, venture capital, family office, mezzanine and venture debt, hedge funds and BDCs.

STRATEGIC ADVISORY SERVICES

We provide our clients with analytical data and insights to facilitate strategic decision-making. We advise our clients on how to maximize shareholder value and then provide support for transaction implementation.

PRIVATE CAPITAL

We listen carefully to business owners and managers and then work closely with them to custom design long-term and flexible capital solutions. Our approach resonates particularly well with family-owned and closely-held companies.

ENGAGEMENTS INCLUDE:

- *Mergers & Acquisitions (Buy & Sell Side)*
- *Corporate Divestitures*
- *Management Buyouts*
- *Leveraged Buyouts*
- *Recapitalizations*
- *Partial Liquidity Events*
- *Private Equity Capital Raises*
- *Public Company Capital Raises*
- *Debt Financings & Restructurings*
- *Project Finance*
- *Valuations*
- *Fairness Opinions*
- *Shareholder Rights Planning*
- *Shareholder Value Analysis*
- *Strategic Alternatives Reviews*
- *Strategic Partnerships & Joint Ventures*
- *Special Situations*

Process and Experience Deliver Results

We Differentiate Each Process With a

Customized Approach

- We are thoughtful advisors who deliver a tailored process to suit the needs of our clients
- We understand the strategies of the counterparties, enabling us to tell them why they should be interested – allowing Cascadia to drive the transaction and maximize results

Team Members Have

Deep Industry Expertise

- With bankers across multiple industry verticals, we have the experience to offer industry breadth while maintaining sector depth
- Dedicated resource model with comprehensive vertical expertise from Managing Director to Analyst

Our Experience and Approach

Drive Results

- We have experience, industry focus and a differentiated process that drives success
- Our transactions are built upon delivering the best quantitative and qualitative terms with the most desirable counterparty

$9+ billion in total M&A transactions closed in the firm's history

$3+ billion in total capital raised in the firm's history

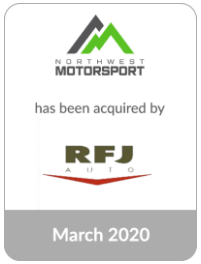
Proven Results

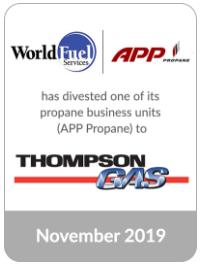
MOST RECENT TRANSACTIONS

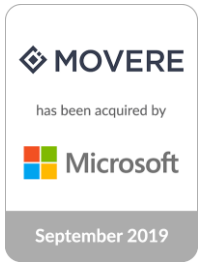
Persea Bio a portfolio company of Third Security, LLC strategic advisory services May 2020	GreenVenus a portfolio company of Third Security, LLC strategic advisory services May 2020	Applied Technical Services Corporation has been acquired by creation technologies May 2020	Lucidyne has been acquired by MICROTEC April 2020	Airbrake.io has received an investment from Elsewhere Partners April 2020	IOXUS has been acquired by XS Power Batteries March 2020	Northwest Motorsport has been acquired by RFJ Auto March 2020	Orangetheory Fitness has been acquired by CASTANEA February 2020	JohnRyan has been acquired by ComQi February 2020
PRECIGEN has sold blue marble agBio to Third Security, LLC February 2020	FruitSmart has been acquired by Universal Corporation January 2020	Wet Noses has been recapitalized by VISIOCAP Beach Point December 2019	The Lion Brewery a portfolio company of Bluepoint Capital Partners has been acquired by encore consumer capital December 2019	F.W. Spencer & Son, Inc. Mechanical Contractors has been acquired by HARRIS December 2019	FragilePAK has received a growth investment from Columbia Pacific Advisors November 2019	WorldFuel Services / APP has divested one of its propane business units (APP Propane) to Thompson Gas November 2019	Phoenix Lab Excellence in Veterinary Science & Service has been acquired by zoetis October 2019	intrexon better DNA Fairness Opinion October 2019
intrexon better DNA has sold stake in AquaBounty Technologies to TS Aquaculture, LLC managed by Third Security, LLC October 2019	RJHealth has been acquired by MMIT a portfolio company of WCAS September 2019	2nd Ave Waste and GreenDrop have been acquired by BRS and Rosser Capital Partners September 2019	Firestone Healthy Home Team has been acquired by Agriculture Capital Management September 2019	MOVERE has been acquired by Microsoft September 2019	AFC Auvil Fruit Company, Inc. Gee Whiz has received an equity investment from Fiera Comox August 2019	influenster has been acquired by bazaarvoice August 2019	More Than Gourmet has sold a majority interest to Ajinomoto August 2019	bluetree NETWORK has been acquired by Providence St. Joseph Health July 2019
Ss 304 brewtech has been acquired by The Middleby Corporation June 2019	Qi has received a growth equity investment from A leading energy private equity firm May 2019	Winc has received an investment from Cool Japan Fund April 2019	AbsenceSoft has been recapitalized by Bow River Capital Partners April 2019	Pacific Coast Energy The Propane Experts has been acquired by DCC Propane, LLC April 2019	Emergency Reporting has been recapitalized by polarispartners April 2019	ADURO has received a strategic investment from Bon Secours Mercy Health March 2019	UMT360° has been acquired by TELEO Capital April 2019	THUNDERWORKS Creators of Thunderhost a portfolio company of encore consumer capital has been acquired by ceva March 2019

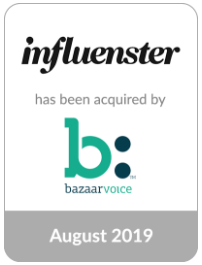
$9+ Billion in M&A Transactions

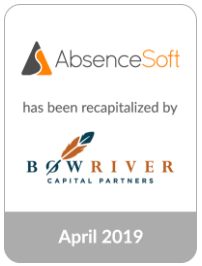
RECENT MERGERS & ACQUISITIONS











$3+ Billion of Capital Raised

RECENT PRIVATE PLACEMENTS

Airbrake.io has received an investment from ELSEWHERE PARTNERS — April 2020	FragilePAK has received a growth investment from COLUMBIA PACIFIC ADVISORS — November 2019	AFC Auvil Fruit Company, Inc. / GEE WHIZ has received an equity investment from FIERA COMOX — August 2019	Q2 has received a growth equity investment from A leading energy private equity firm — May 2019	ADURO has received a strategic investment from BON SECOURS MERCY HEALTH — March 2019	Winc has received an investment from COOL JAPAN FUND — April 2019	ADURO has received an investment from abry partners — January 2019	La Paulée has received an investment from the conversion fund — November 2018
SkinSpirit SKINCARE CLINIC AND SPA has received an investment from P/W/P / Growth Equity — September 2018	LMR LONG MEADOW RANCH has completed a debt financing with Goldman Sachs — September 2018	sonoSim has received a minority investment from GE Healthcare — August 2018	VIDA has received a majority equity investment from cimpress — July 2018	VEXCEL IMAGING has received a growth equity investment from A Private Equity Firm — June 2018	nulo healthier together has received an investment from MAIN POST PARTNERS — June 2018	DiscoverOrg a portfolio company of TA ASSOCIATES has received an investment from THE CARLYLE GROUP — March 2018	vera WHOLE HEALTH has received debt financing from Comerica — January 2018
humm kombucha has received a Series B investment led by VMG PARTNERS — May 2017	fatbeam has received financing from bankstreet POST ROAD GROUP — April 2018	vera WHOLE HEALTH has received a strategic investment from LEERINK TRANSFORMATION PARTNERS — March 2017	PROGISTICS DISTRIBUTION has received strategic investment from HCAP PARTNERS — February 2017	Impel NEUROPHARMA strategic investment from VIVO CAPITAL, FAM VENTURES, venBio — November 2016	BardyDx has received a strategic investment from SV Life Sciences, HEP, ASCENSION Ventures and debt financing from — December 2016	Galaxy Gaming has received debt financing from BREAKAWAY CAPITAL — August 2016	BDA Evolving Branded Merchandise™ has received debt financing from CYPRIUM PARTNERS — July 2016

Cascadia Capital Leadership Team

Cascadia has a distinguished team of investment banking professionals with expertise in a multitude of industries and capital markets.

- Leading diversified investment bank advisory firm serving domestic and global clientele
- Coordinated delivery of appropriate expertise across the firm
- Strategic insight to assist in identifying and executing a range of alternatives
- 16 Managing Directors
- Over 50 investment banking professionals
- More than $12.6 billion in transaction value

Katherine Bellows
MANAGING DIRECTOR
Business Development

Brian Bogen
MANAGING DIRECTOR
Private Capital

Jamie Boyd
MANAGING DIRECTOR
Energy & Applied Technology
Real Estate

Michael Butler
CHAIRMAN & CEO
Energy & Applied Technology
Food, Beverage & Agribusiness

Kevin Cable
MANAGING DIRECTOR
Digital Health & Healthcare Services

Hugh Campbell
MANAGING DIRECTOR
Business Services
Technology

Teague Collins
MANAGING DIRECTOR
Technology

Erik Einwalter
MANAGING DIRECTOR
Consumer & Retail
Food, Beverage & Agribusiness

Nicodemo Esposito
MANAGING DIRECTOR
Business Services
Technology

Bryan Jaffe
MANAGING DIRECTOR
Food, Beverage & Agribusiness

Nicole Nugent Fry
MANAGING DIRECTOR
Food, Beverage & Agribusiness

Firdaus Pohowalla
MANAGING DIRECTOR
Industrials

Christian Schiller
MANAGING DIRECTOR

George Sent
MANAGING DIRECTOR
Food, Beverage & Agribusiness

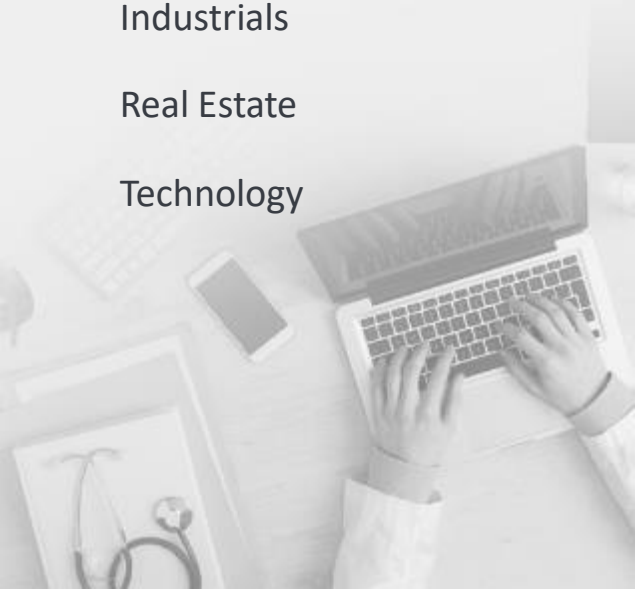
John Siegler
MANAGING DIRECTOR
Consumer & Retail

Adam Stormoen
MANAGING DIRECTOR
Digital Health & Healthcare Services

Ann Watson
CHIEF OPERATING OFFICER

The Healthcare Practice

- Auto Aftermarket
- Business Services
- Consumer & Retail
- Energy & Applied Technology
- Food & Agribusiness
- **Healthcare**
- Industrials
- Real Estate
- Technology



Principal Sector Focus

- Telemedicine & Patient Monitoring
- Medical Equipment & Service
- RCM, Billing & Payment Systems
- Patient Engagement & Care Coordination
- Cybersecurity, HIPAA & PHI
- Pharmacy
- Interoperability, System Integration & Workflow
- Data Analytics & Healthcare Information Systems
- Healthcare Services
- Physician Practice Management

Overview

We have six professionals with over 60 years of collective experience who have originated and executed over $2 billion of M&A and financing transactions in the Healthcare sector. Emerging trends in the industry are driven by consumers demanding higher quality care with cost transparency, integrated health information and better provider access and communication. The solutions lie at the intersection of healthcare and technology, where innovation provides for better, more accessible care at lower costs. Cascadia's team is perfectly primed to meet the growing needs of the industry's players, leveraging vast experience coupled with a thorough understanding of the market.

Representative Transactions

MediRevv has been acquired by Providence St. Joseph Health — October 2019	RJ Health Systems has been acquired by MMIT, a portfolio company of WCAS — September 2019	bluetree NETWORK has been acquired by Providence St. Joseph Health — July 2019	ADURO has received an investment from abry partners — January 2019
CONCORD TECHNOLOGIES has sold a minority interest to Excellere Partners — January 2019	sonoSim has received a minority investment from GE Healthcare — August 2018	DATSTAT has been acquired by SCI SOLUTIONS — March 2018	vera has received a strategic investment from LEERINK TRANSFORMATION PARTNERS — March 2017

Deep Healthcare Expertise

Deep Transaction Experience Within Digital Health and Healthcare Services

We have recent, robust, and relevant transactional experience …

1. *Specialty drug price arbiter for payors, PBMs and the pharma industry*
2. *Provider of Epic EHR implementation services*
3. *Provider of human performance solutions to enterprise employers*
4. *Provider of integrated cloud fax and workflow solutions*
5. *Ultrasound training software platform*
6. *Provider of integrated patient engagement and data management software*

… which enables us to accurately and compellingly position our clients within the healthcare ecosystem to counterparties

1. RJ Health Systems has been aquired by MMIT, a portfolio company of WCAS — September 2019
2. bluetree NETWORK has been aquired by Providence St. Joseph Health — July 2019
3. ADURO has received an investment from abry partners — January 2019
4. CONCORD TECHNOLOGIES has sold a minority interest to EXCELLERE PARTNERS — January 2019
5. SONOSIM has received a minority investment from GE Healthcare — August 2018
6. DATSTAT has been acquired by SCI SOLUTIONS — March 2018

CASCADIA CAPITAL LLC

The Healthcare Investment Banking Team

Kevin Cable
Co-Founder and Managing Director, Healthcare

Contact:
kcable@cascadiacapital.com
(206) 696-7922

Experience:
20+ years banking
20 years with Cascadia

Education:
BA, University of Washington

Adam Stormoen
Managing Director, Healthcare

Contact:
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Experience:
18+ years banking
1 year with Cascadia

Education:
BBA, University of Wisconsin-Madison

Eric Coonrod
Senior Vice President, Healthcare

Contact:
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Experience:
15+ years banking
4 years with Cascadia

Education:
BSBA, Washington University in St. Louis

Novan Le
Vice President, Healthcare

Contact:
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Experience:
7+ years banking
4 years with Cascadia

Education:
BA, University of Washington

Daniel Wandsnider
Associate, Healthcare

Contact:
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Experience:
4+ years banking
4 years with Cascadia

Education:
BA, University of Wisconsin-Madison

Neel Karody
Analyst, Healthcare

Contact:
nkarody@cascadiacapital.com
(206) 436-2505

Experience:
1+ years banking
1 years with Cascadia

Education:
BA, Pomona College

Appendix A: Selected Case Studies

RJ Health Systems' Acquisition by MMIT

TRANSACTION OVERVIEW

- **Transaction Completed:** September 2019
- **Transaction Amount:** Undisclosed
- **Transaction Summary:** RJ Health Systems was acquired by MMIT, a portfolio company of Welsh, Carson, Anderson & Stowe. Further details of the transaction were not disclosed
- **Cascadia Capital Role:** Exclusive financial advisor to RJ Health Systems

STRATEGIC RATIONALE

- The combination of RJ Health Systems' proprietary data platform with MMIT's market leading formulary data and workflow platform positions the combined company as a single, comprehensive source for quality drug pricing, market access and benefit coverage information

RJ HEALTH SYSTEMS

- RJ Health Systems offers a proprietary solution for controlling medical drug spend, with an emphasis on specialty drug pricing, providing industry standard pricing, coding, dosing, weight, age and diagnosis information and analytics for drugs covered on the medical benefit
- RJ Health Systems' proprietary data and analytics are delivered through SaaS and enterprise configurations, enabling transparency between all healthcare stakeholders
- RJ Health Systems has over 230 customers across the healthcare ecosystem, including payors, providers, PBMs and pharma manufacturers

MMIT

- MMIT provides formulary management tools and software for the needs of health plans and PBMs
- MMIT offers its workflow and data solutions to customers that operate across the healthcare ecosystem, including payors, pharma manufacturers, prescribers and consulting firms
- MMIT is backed by Welsh, Carson, Anderson & Stowe, a leading healthcare and technology-focused private equity firm with $27BN in assets under management

ADURO Equity Financing

ADURO

has received an investment from

abry partners

January 2019

TRANSACTION OVERVIEW

- **Transaction Completed:** January 2019
- **Transaction Amount:** $22MM
- **Transaction Summary:** ADURO announced a $20MM investment from Abry Partners, as well as a $2MM follow-on investment from Mercy Health System. Further details of the transaction were not disclosed
- **Cascadia Capital Role:** Exclusive financial advisor to ADURO

STRATEGIC RATIONALE

- ADURO will leverage Abry's deep industry knowledge and experience scaling similar businesses to accelerate innovation, fuel growth and expand globally
- ADURO will utilize the capital to help it build out its sales and product capabilities, fill key positions on its management team and fund acquisitions in ancillary verticals, as well as expand its capabilities within the patient engagement arena

ADURO

- ADURO is a leading provider of human performance solutions for optimizing the health, well-being and productivity of enterprise employers
- The Company offers a native coordinated experience across its biometric and well-being platform via an app-based solution, providing measurable value to employers, their employees and dependents
- ADURO currently has over 150 customers and 1.1M+ unique users, including employees and dependents

ABRY PARTNERS

- Abry Partners is a Boston-based growth equity firm with $12.0BN in assets under management
- Abry invests in the healthcare IT, business services, information services, media and communications segments
- Abry seeks to provide flexible, patient capital to companies that present operating characteristics and competitive dynamics that make them leaders in their industries, making the partnership with ADURO an ideal outcome for both sides

Concord Technologies Minority Sale

TRANSACTION OVERVIEW

- **Transaction Completed:** January 2019
- **Transaction Amount:** Undisclosed
- **Transaction Summary:** Concord Technologies announced its minority sale to Excellere Partners. Further details of the transaction were not disclosed
- **Cascadia Capital Role:** Exclusive financial advisor to Concord Technologies

STRATEGIC RATIONALE

- Concord Technologies partnered with Excellere Partners due to the investment firm's proven track record of scaling businesses and their deep understanding of interoperability in healthcare. Concord has plans to leverage the new partnership to expand its NEXTSTEP workflow automation platform into new and existing healthcare markets

CONCORD TECHNOLOGIES

- Concord Technologies is a leading provider of integrated cloud fax and workflow solutions, NEXTSTEP, to high-growth healthcare markets
- With over 1,500 customers already utilizing its existing enterprise fax service platform, the Company recently pushed to add an additional service line, focused on healthcare interoperability, to further enhance its product suite
- Concord is headquartered in Seattle, Washington and employs more than 100 people in the USA and India

EXCELLERE PARTNERS

- Excellere Partners is a Denver-based private equity firm with $1.4 billion of capital across three funds, and specializes in partnering with entrepreneurs and management teams
- The firm employs a proven research-driven, top down investment strategy, and supports its entrepreneurs and management teams with a proprietary value creation process designed to enhance corporate and operational infrastructure for scalability and growth
- Excellere's targeted industry sectors include: healthcare services and products; energy, power and infrastructure products and services; industrial technology, specialty chemicals and services; and business services

DatStat's Acquisition by SCI Solutions

DATSTAT

has been acquired by

SCI SOLUTIONS

March 2018

TRANSACTION OVERVIEW

- **Transaction Completed:** March 2018
- **Transaction Amount:** Undisclosed
- **Transaction Summary:** DatStat was acquired by SCI Solutions. Further details of the transaction were not disclosed
- **Cascadia Capital Role:** Exclusive financial advisor to DatStat

STRATEGIC RATIONALE

- The combination of DatStat's digital self-service tools for pre-visit preparation, secure messaging, visit summaries and care plans with SCI's market leading patient scheduling, referral management and revenue cycle software, creates a complete patient access and engagement solution for patients to conveniently connect with their care teams

DATSTAT

- Founded in 1996, DatStat provides integrated survey, patient engagement solutions, and data management software for healthcare and research institutions
- DatStat's consumer-ready tools function on any device, so patients can securely message providers, easily complete pre-visit forms and surveys online, confirm adherence to care plans and receive important reminders for appointment follow-up
- These capabilities work in conjunction with health system websites and patient portals, marketing automation technologies, and any electronic health record to ensure a unified brand experience

SCI SOLUTIONS

- SCI Solutions builds, implements and operates healthcare business process software for a network of hospitals, diagnostic imaging centers, physician groups and post-acute care organizations. The Company has the most widely adopted cloud workflow platform for referrals, orders, messaging, results and scheduling
- Backed by The Wicks Group of Companies

Vera Whole Health Equity Financing

vera WHOLE HEALTH

has received a strategic investment from

LEERINK TRANSFORMATION PARTNERS

March 2017

TRANSACTION OVERVIEW

- **Transaction Completed:** March 2017
- **Capital Raised:** $15MM in equity capital, $10MM in debt capital
- **Transaction Summary:** Vera Whole Health ("Vera") announced a $25MM investment by a consortium of investors led by Leerink Transformation Partners; further terms of the investment were not disclosed
- **Cascadia Capital Role:** Exclusive financial advisor to Vera Whole Health

STRATEGIC RATIONALE

- With strong historical growth and a differentiated clinical model, Vera has a significant opportunity to become the leading provider of on-site healthcare services to self-funded employers
- In order to take advantage of this opportunity, the Company required additional capital to fund new clinic openings and the operational expertise of an experienced healthcare services investor to rapidly scale across the nation

VERA WHOLE HEALTH

- Based in Seattle, WA, Vera provides a scalable on-site medical management network that has proven abilities to drive meaningful healthcare cost savings for self-funded employers and to improve overall employee health through a four-pronged approach:
  1. On-site (or near-site) health clinics
  2. Health coaching and active patient management: Industry-leading patient engagement and employee satisfaction through face-to-face health coaching
  3. Organizational health culture: creation and facilitation of a culture of health
  4. Population health and referral management care standards: catalysis of preventive and chronic care management and elimination of high cost unnecessary or duplicative care

LEERINK TRANSFORMATION PARTNERS

- Healthcare investment firm focused on identifying and working with companies in the healthcare technology and services sectors with proven revenue traction, recurring revenue and high growth potential
- LTP Equity specializes in growth equity investments