BOURNE PARTNERS COMPOUNDING INDUSTRY UPDATE

SUMMER 2024

BOURNE PARTNERS

BOURNE PARTNERS OVERVIEW

Bourne Partners is a leading healthcare-focused investment bank headquartered in Charlotte, NC. Since 2000, Bourne has been offering a unique perspective and unmatched expertise while remaining highly focused on fulfilling the needs of established middle market healthcare companies across the globe.

OUR MISSION STATEMENT

"We strive to enrich the lives and improve the health and well-being of our employees, partners, and patients across the globe by facilitating the efficient movement of capital through the global healthcare sector."

HIGHLY-FOCUSED FIRM

- **PHARMA & LIFE SCIENCES**
- **CONSUMER HEALTH**
- **HEALTHCARE SERVICES**
- **PHARMACY SERVICES**

BOURNE PARTNERS

Healthcare… it's all we do

BOURNE PARTNERS INVESTMENT BANK

Mergers & Acquisitions		Capital Raising	
Company & Product Focus	*Sell-Side Assignments*	*Debt*	*Equity*
Buy-Side Assignments	*$20M to $1B+ Enterprise Value*	*Alternative Options*	*$20M to $1B+ Capital Raises*
Business Development Services		**Strategic Initiatives & Consulting**	
Partnerships in US and Abroad	*In and Out-Licensing*	*Strategy & Management*	*Sales/Marketing, Operations*

VALUE-ADD ADVISORS WITH A GLOBAL REACH

$10B+
Successful Transactions

5
Continents

20+
Year Track Record

WE'RE ACTIVE IN THE SPACE

Bourne Partners currently has multiple active transactions in the compounding / personalized medicine space. Over the past few years, Bourne Partners has closed several highly relevant transactions and has become the established, leading "compounding" M&A advisor.

*indicates signed pending close

RELEVANT CURRENT ENGAGEMENTS

PROJECT NIRVANA

operator of California-based sterile 503B outsourcing facility

Sell-Side Advisory

PROJECT PACER

hospital focused unit dose non-sterile liquids pharma company

Sell-Side Advisory

PROJECT ALCHEMY

major 503A platform serving various therapeutic categories

Sell-Side Advisory

BOURNE'S VALUE ADD

- **Unmatched industry expertise and strong relationships with counterparties**
- **Expert-level attention from senior bankers throughout the process**
- **Bespoke process strategy and comprehensive outcome evaluation**
- **Negotiating favorable deal terms and economics on a swift timeline**

REPRESENTATIVE COMPLETED TRANSACTIONS

MEDIVANT HEALTHCARE has received financing from 1315 CAPITAL HEALTHCARE FOR LIFE®

Capital Raise Advisory

MEDQUEST PHARMACY a subsidiary of PHealth has been acquired by Belmar PHARMA SOLUTIONS

Sell-Side Advisory

Fagron has divested its CDMO franchise to SIGNET Healthcare Partners

Sell-Side Advisory

American Injectables has received financing from NEW RHEIN HEALTHCARE INVESTORS

Capital Raise Advisory

LINCARE A Linde company sold home infusion assets to KabaFusion Patient focused infusion therapy a portfolio company of PRITZKER PRIVATE CAPITAL

Sell-Side Advisory

H.I.G. CAPITAL recapitalization and fund-to-fund transfer of SOLEO HEALTH® Innovators in Specialty Infusion

Sell-Side Advisory

PREEMINENT PARTNER TO PRIVATE EQUITY

As an advisor, counterparty, or investment partner, PE has long valued Bourne's industry and transaction expertise. Our deep relationships will assist in reaching the right buyer and maximizing value.

REPRESENTATIVE COMPLETED TRANSACTIONS

SUMMIT Biosciences Inc. has been acquired by Kindeva Drug Delivery a portfolio company of Altaris — M&A Advisory	Afton Scientific has been acquired by ACP — M&A Advisory	COVIS Pharma a portfolio company of Cerberus has been acquired by Advanz Pharma — M&A Advisory	Clincierge has been acquired by Greenphire a portfolio company of Thomabravo — M&A Advisory	amri Complex Science. Expert Solutions. has been acquired by Carlyle GTCR — M&A Advisory	Goldman Sachs has been advised by Bourne Partners on an undisclosed investment in a major healthcare platform — M&A Advisory

ENTRUSTED TO PARTNER WITH…

Altaris, Ampersand, Apollo, Archimed, Cinven, Colbeck, Curewell Capital, Enhanced Healthcare Partners, Hildred, Irving Place Capital, MDP, M|E, Meeting Street Capital, RCT, Signet Healthcare Partners, TPG

Bourne Partners + Private Equity

72%

of Bourne transactions involve a Financial Sponsor

…THE TOP NAMES IN PRIVATE EQUITY

ACP, Capital IP, Carlyle, Cerberus, GHO Capital, Ghost Tree Partners, Goldman Sachs, GTCR, New Rhein, PEP Pacific Equity Partners, Patient Square Capital, QHP Capital, Thomabravo, Webster Equity Partners, 1315 Capital, 424 Capital

"On the back of their extensive knowledge and first-hand experience of transacting in the pharma space, Bourne Partners were able to help provide significant guidance as we prepared for our exit process… We received great engagement from the full team and thank Banks, Minor and Jeremy for their insightful input."

Cinven
Supraj Rajagopalan
Partner
Cinven

Carlyle
Steve Wise
Head of Global Healthcare
The Carlyle Group

"Bourne Partners has deep relationships and significant transaction experience across the industry. Formalizing the relationship with Bourne is a reflection of our belief that our venture can add significant value in the space, as well as our positive outlook for investing capital in the Pharmaceutical industry going forward."

WHAT DO INVESTORS VALUE IN COMPOUNDING PLATFORMS?

BOURNE PARTNERS

Investment in the space is still in the early innings. The current landscape represents significant consolidation opportunity, with a vast majority of 503A pharmacies still being owned by local providers (~7,500 503As in US).

Value Driver	Platform EBITDA Multiple Range		Buyer Priority	Commentary
	Lower	Higher		
National Footprint and Licensure at Scale	*Regional / emerging player*	*National / established player*	Medium	▶ Compounding is highly fragmented; a current scarcity of scaled platforms plays a large role in premium valuations ▶ National presence with ability to sell into major population hubs drives valuation
Pristine Quality Record	*Spotty / short dated*	*Clean / long quality history*	High	▶ Clean inspection record / licensing history and a strong system in place to maintain quality are must-haves ▶ Robust quality and regulatory function is highly valued alongside reputation of going above and beyond to ensure pharma grade quality
Organic Growth and Revenue Visibility	*Little line of sight*	*Strong growth rate and revenue visibility*	High	▶ Stickiness of prescriber base, long standing prescriber relationships, and refill rates are highly valued and prove durability of revenue ▶ Proof of organic revenue growth to supplement M&A activity shows health of underlying business
Attractive Therapeutic Areas	*Slow growing / temporary TAs*	*Fast growing; benefiting from mega-trends*	Medium	▶ Serving therapeutic areas with sticky patient / prescriber populations, large addressable markets, and strong underlying growth dynamics ▶ Expansion into new therapeutic categories to take advantage of near-term opportunities or realize cross-selling opportunities is a value add
M&A Sophistication	*Limited – lack of ability to integrate*	*Proven ability to execute / integrate*	High	▶ A demonstrated ability to source, execute, and integrate M&A targets enhances value by reducing required sponsor involvement ▶ Proven track-record of post-acquisition integration and performance creates confidence in forecasting and an outsized growth story
Quality Expertise and Management Strength	*Outdated technology and inexperienced team*	*Strong, integrated team and systems*	High	▶ Strong management team, systems, and capability set across multiple facilities to support growth and quality management ▶ Large roster of pharmacists with duplicate state licenses across the business eliminates key man risk / ensures continuity of licensure

Investors prioritize compounders delivering critical, medically necessary treatments and will pay a premium for businesses that bridge essential healthcare gaps and safeguard patient populations from significant health risks

SUMMARY OF RECENT SHIFTS IN WHOLESALING GUIDANCE

FDA has further clarified its stance on regulations controlling the distribution of compounded drugs. Guidelines are aimed at ensuring compounded drugs, which don't go through an approval process, are distributed via tightly controlled channels to protect patient safety.

FDA'S 503B CLARIFICATION: PERMITTED VS. PROHIBITED DISTRIBUTION CHANNELS[1]

"PROHIBITED" CHANNELS / SCENARIOS[2]

503Bs distributing products to repackagers

If compounded drugs are distributed by repackagers, there's a risk they could be sold or transferred inappropriately, potentially leading to misuse or distribution of drugs not intended for specific patient needs

503Bs transferring products to a non-commonly owned 503B

Because the non-commonly owned 503B does not administer the compounded drug or dispense pursuant to a prescription, the sale or transfer is prohibited to maintain the integrity of the compounding process

Third parties offering access to 503B products

Offering bundled services or indirect compensation to physician offices doesn't change the fundamental nature of the transaction; the third party is selling a drug via unauthorized channels (e.g., telemedicine platforms)

"NOT PROHIBITED" CHANNELS / SCENARIOS[2]

503Bs moving a drug to another location that is part of the same outsourcing facility

The drug has not been sold or transferred by an entity other than the outsourcing facility that compounded it. Therefore, because the transfer was solely within the 503B facility, there is no prohibition on this movement

503Bs distributing drug to pharmacies (including 503As) for dispensing

So long as the state-licensed pharmacy, federal facility, or licensed physician dispenses the drug pursuant to a prescription, the sale or transfer involved is included in the exception to the prohibition on wholesaling

503Bs distributing drug to healthcare professional without prescription

Because the sale or transfer by the healthcare professional takes place as part of administering the drug in a healthcare setting, the transfer or sale is not prohibited

Source(s): 1) FDA: Prohibition on Wholesaling Under Section 503B of the Federal Food, Drug, and Cosmetic Act, June 2023 2) ReedSmith: FDA publishes draft guidance on the Prohibition on Wholesaling Under Section 503B of the FDCA, 6/29/2023 Notes: Above list is not exhaustive

EMERGING LANDSCAPE AS A RESULT OF SHIFTS IN FDA GUIDANCE

NEW REGULATIONS MAXIMIZE MANUFACTURING POWER AND EFFICIENCY FOR VERTICALLY INTEGRATED COMPOUNDERS

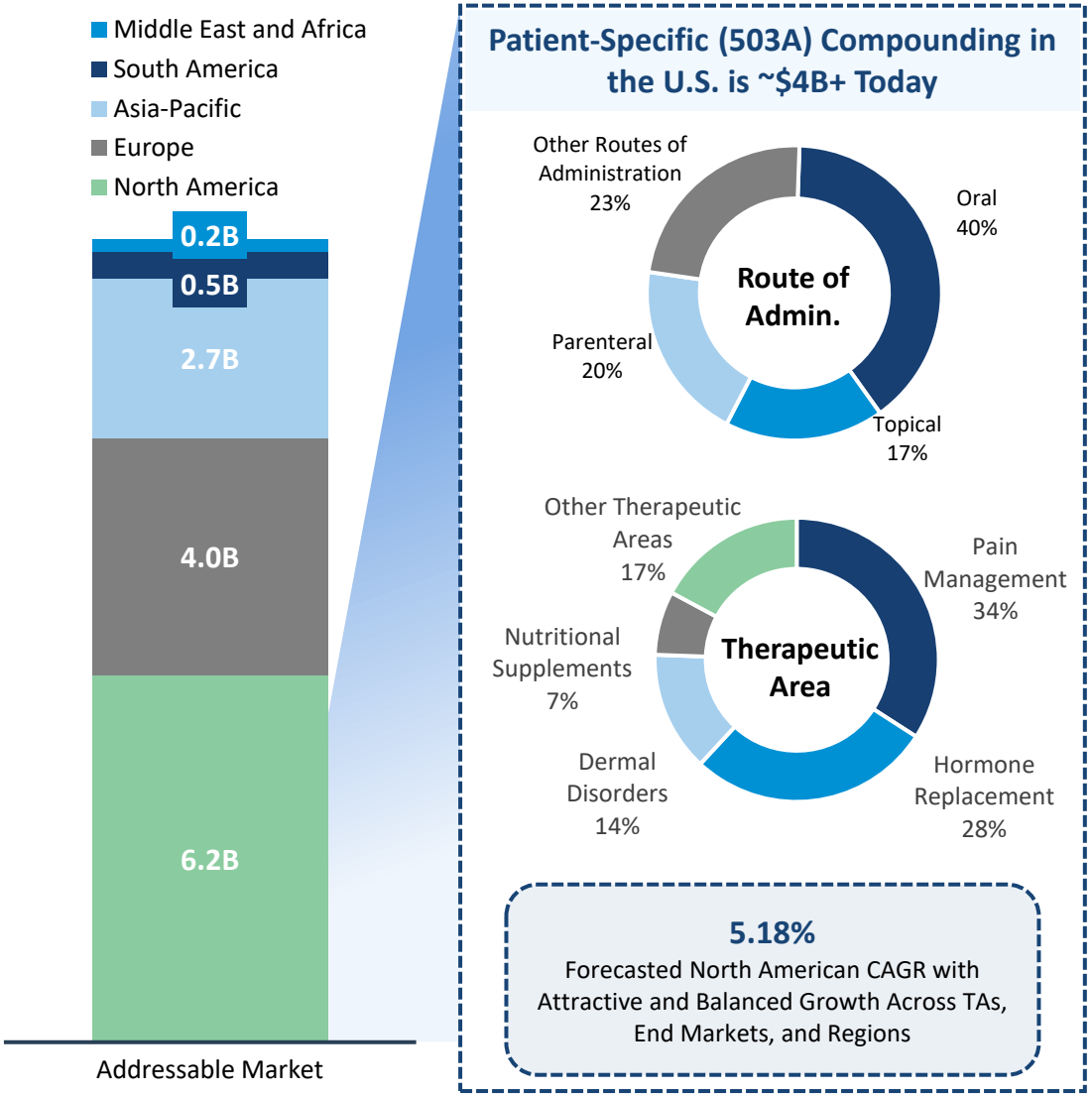
In June 2023, FDA released guidance clarifying the permitted relationship between 503A and 503B entities; notably 503Bs were given the green light to sell directly to 503A compounding pharmacies, so long as the 503A dispenses the product for a patient specific script

Type	503A	503B	New Regulatory Guidance 503A & 503B Integrated Platform
Overview	► Patient specific compounding based on a physician prescription specifying dose and formulation	► Non-patient specific compounding occurring prior to a prescription being written	► New federal guidance significantly expands the capabilities of 503B outsourcing facilities, clarifying that a 503B distributing to state-licensed pharmacies is not prohibited ► Those that stand to benefit are entities equipped with both a 503A and 503B facility, where there is opportunity for significant vertical integration
Regulatory Oversight	For cause FDA inspections only Facility registration dependent on state Subject to USP Chapters	Subject to random FDA inspections Must register with BOP, DEA, and FDA Must comply with 21CFR Part 210 and 211	
Abbreviated Landscape	Apothicare 360 Chemistry Rx – *Pine Tree, '21* Curexa Pharmacy – *Pouschine Cook, '21* IT Compounding & Natural Wellness Pharmacy Valor Compounding Pharmacy New Drug Loft Northwest Compounders Precision Compounding Pharmacy	Leiters. – *WCAS, '21* STAQ Pharma – *Stout Street, '23* Medivant Healthcare (d.b.a. of Tailstorm Health Inc.) – *1315 Capital, '24* nephron pharmaceuticals corporation Pine Pharmaceuticals QuVa Pharma – *Bain, '15* SCA pharma – *Excellere / Vistria, '21* Turbare Manufacturing	Belmar Pharma Solutions – *Webster / MedEquity '19* CAPS – *B Braun '97* Empower Pharmacy Fagron – *BRU: FAGR* imprimis Rx – *Harrow Health, '15* Olympia Pharmaceuticals Revelation Pharma – *Osceola '21* wells pharmacy network

GLOBAL MACRO TRENDS FUELING INDUSTRY GROWTH

Resilient and recession resistant market growth driving demand in a highly fragmented market ripe for consolidation.

THE 503A COMPOUNDING MARKET[1] IS ATTRACTIVE AND SIZABLE…



Patient-Specific (503A) Compounding in the U.S. is ~$4B+ Today

5.18%
Forecasted North American CAGR with Attractive and Balanced Growth Across TAs, End Markets, and Regions

…WITH STRONG GROWTH DRIVERS

TAILWINDS	IMPACT
Increasing Elderly Population Enables Growing Demand *Age group has high drug-prescribing patterns and increasing chronic diseases and disorders*	Greater Need for Custom Rx
Increased Acceptance of Provider Community / Concierge Medicine *Continued focus on personalized care and improving patient outcomes by tailoring formulations and treatment plans specifically to each patient*	More Outcome Focused Treatments
Growing Emphasis on Integrative Health and Wellness *Focus on preventative care, alternative therapies, and personalized medicine are key focuses of integrative medicine*	Tailor-Made, Prescription Care
Increased Utilization of Telemedicine Services *Advances in and growing popularity of telemedicine platforms increasingly utilize compounders to fill their prescriptions*	Greater Access to Custom Medications
Drug Price Inflation and Increased Out-of-Pocket Costs for Patients on Commercial Products *With coverage gaps, patients may face higher co-pays or find certain medications not covered by insurance*	Increased Value Prop. for Compounding

Source(s): 1) IBIS World

REGULATORY CHANGES: INCREASING BURDEN FOR SMALL COMPOUNDERS

Compounding is governed by three chapters which provide standards primarily related to contaminants and drug handling. New USP chapters with more stringent requirements, specifically for 797 and 800, went into effect last year.

DESCRIPTION AND COMMENTARY OF RELEVANT USP GENERAL CHAPTERS

USP* General Chapters	Description	Commentary
USP <795>	▶ Outlines standards for non-sterile compounding, including clean, but not aseptic facility conditions ▶ Regulations focus on staff training, quality tests, and compounding records, including raw material sources	▶ Updates to USP<795> contain more specific guidelines and requirements for the compounding process that external compound suppliers and hospitals must meet ▶ Strict personal hygiene as well as cleaning and sanitizing schedules (surfaces cleared at the start & end of a shift) ▶ Establishes maximum beyond the use dates (BUDs)
USP <797>	▶ Set rules to ensure sterile compound drugs are free from contaminants and contain the right concentrations of active ingredients ▶ Necessitates separate storage space for hazardous and non-hazardous products to prevent potential contamination ▶ Requires equipment to test airflow and balance at the site of compounding	▶ Changes to USP <797> have made it harder for hospitals to make compounds in-house, as requirements for maintaining sterility have become stricter ▶ Shelf life of compounds made in-house is also significantly impacted under USP<797>, at times limited to 48h at room temperature (outsourced compounded products from a 503B facility; by contrast, can have a shelf life up to 180 days at room temperature) ▶ Smaller compounders have increasingly looked towards exit strategies as opposed to investing in costly facility and process upgrades due to the change in <797> requirements
USP <800>	▶ Provides additional standards for the handling of hazardous drugs, (e.g. oxytocin, chemotherapies, etc.) ▶ Sets requirements for additional protective equipment and training for staff, facility and engineering controls, and policies for waste disposal ▶ Requires multiple spaces designated for specific steps of hazardous drug handling, and specifies additional lab equipment to ensure safety	▶ USP<800> standards build on the <797> regulations to create even stricter guidelines for both external compound suppliers and hospitals requiring significant investment in HVAC / engineering controls ▶ Focus on quality has pushed many hospital pharmacies externally to meet compounding needs for hazardous substances

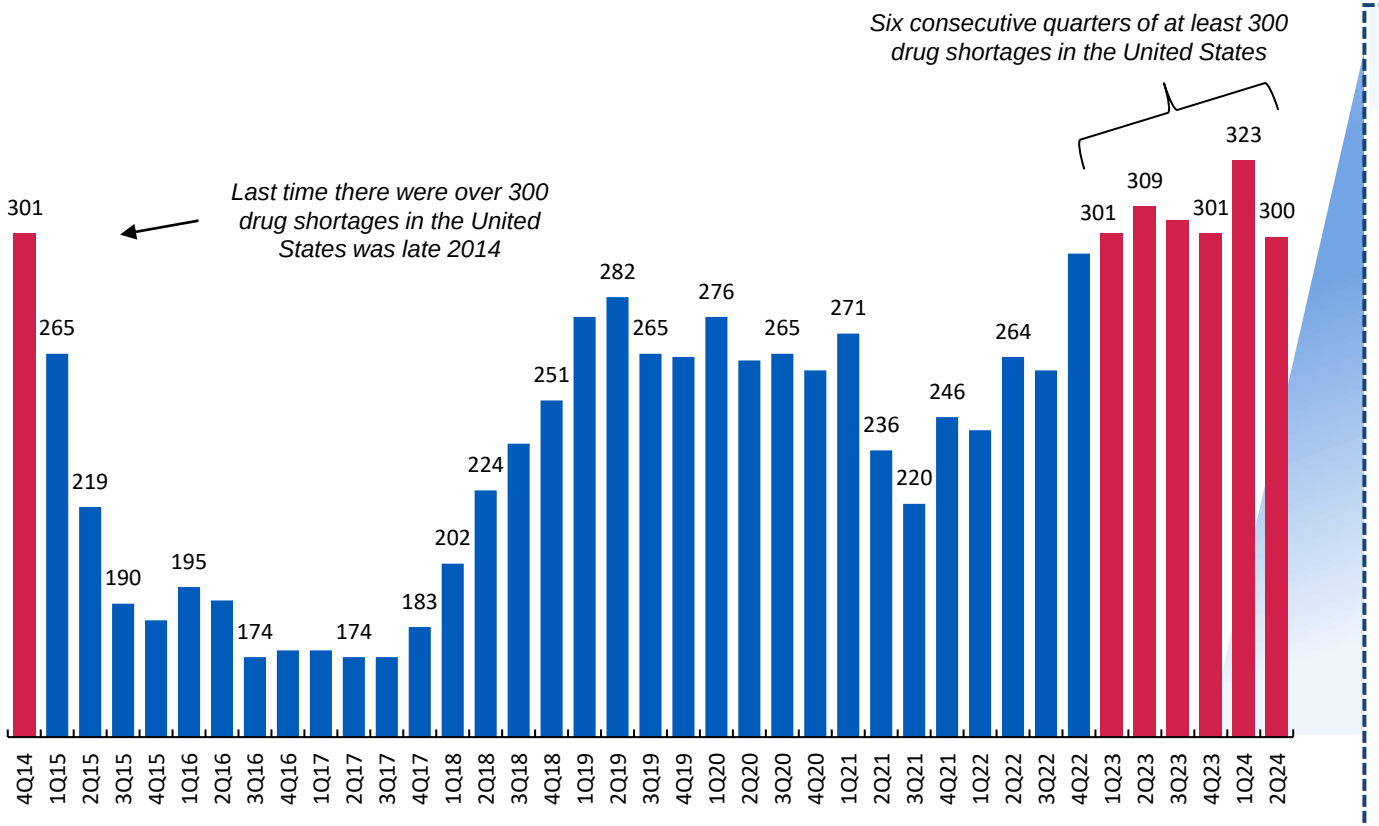
Non-sterile Sterile

Hospitals that in-source their compounds are governed by the USP general chapters, the State Board of Pharmacy, and the Joint Commission, but unlike 503Bs, they are not governed by the cGMP or FDA 503B regulations**

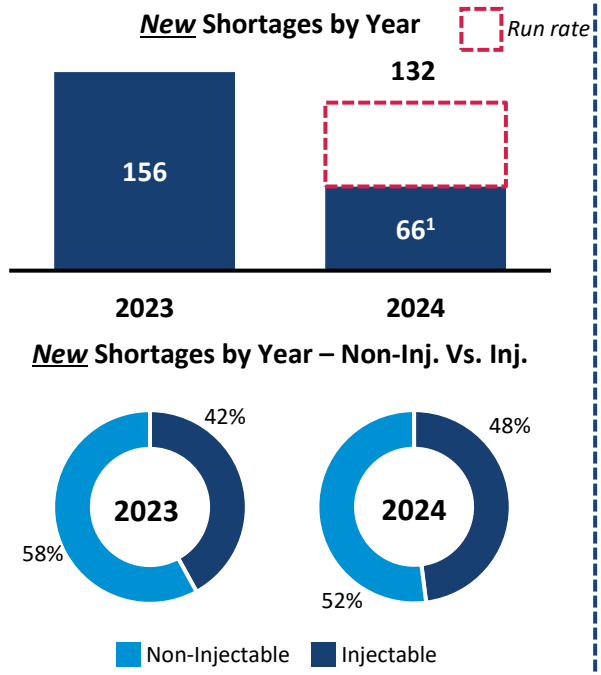
Notes: *U.S. Pharmacopeia is a non-governmental entity whose guidelines are often referenced by regulatory authorities and can have the force of law. **Hospitals that choose to establish an outsourced facility (e.g., Partners, Duke Health) must adhere to outsourced 503B compounding regulations

DRUG SHORTAGES BY THE NUMBERS

RAPIDLY INCREASING DRUG SHORTAGES



Ongoing and Active Shortages - 18+ Months With Over 300 Shortage Products



LEADING CONTRIBUTORS TO INCREASING DRUG SHORTAGES

- Increasing Inflation and Energy Prices
- Decreasing Profit Margins on Generic Medicines
- Major Bankruptcies in Generic Pharma
- Logistical Challenges: Equipment, Material, Labor
- Stringent Regulatory Requirements at Federal Level
- Securing Stable API Supply
- Unanticipated Demand Resulting from DTC Platforms

While 503B compounding facilities are positioned to be vital solution providers in the pharmaceutical supply chain and shortage drug market, many have yet to fully capitalize on this opportunity. FDA survey reveals that fewer than 20 facilities derive 20% or more of their total volume from products on the drug shortage list. This underutilization represents a significant growth opportunity for the 503B industry, not only in addressing current high-profile shortages like GLP-1s but also in expanding to tackle the broader spectrum of drug scarcities

Notes: 1) 66 is the number through June. ASHP numbers being shown above; official FDA shortage list is distinct from ASHP list. FDA survey mentioned above was taken prior to major GLP-1 tailwinds

GROWING APPETITE FOR GLP-1s

The GLP-1 market is growing rapidly, driven by favorable macro trends: increasing health proactivity from consumers, rising demand for personalized healthcare solutions, and the expanding utilization of alternative therapies and treatments to help manage comorbid conditions.

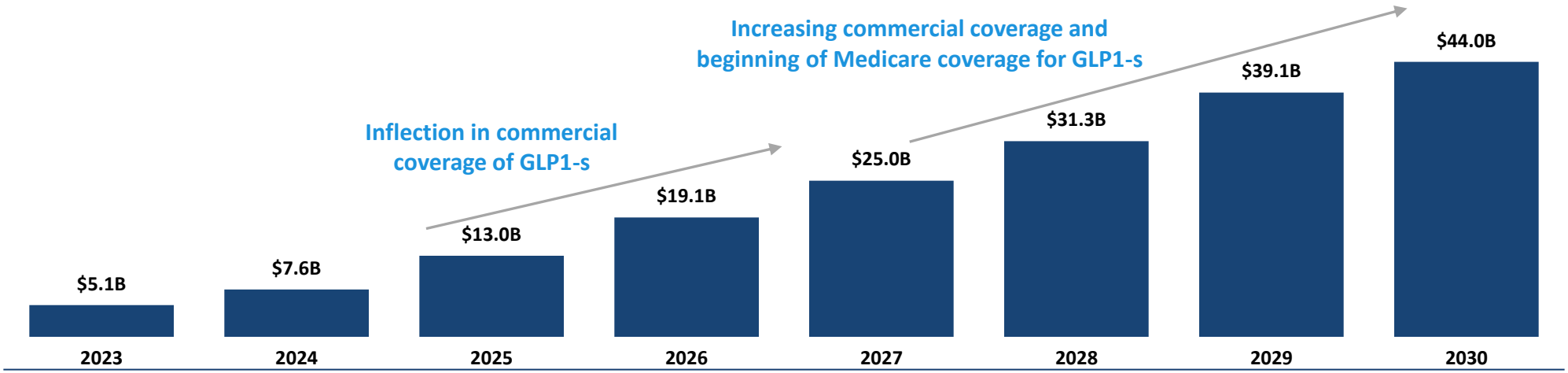
GROWTH TRAJECTORY

- Outsized Demand
- Large Market for Compounded GLP-1s
- Significant Patient Uptake

COMMENTARY

- GLP-1s are witnessing unprecedented levels of demand and uptake from patients seeking an effective solution for weight loss
- Quickly after launch, GLP-1 drugs from Eli Lilly and Novo Nordisk went into supply shortage and have remained on the FDA's Drug Shortage List since late 2022, opening the door to compounders
- Recently, the supply squeeze for Eli Lilly's tirzepatide and Novo Nordisk's semaglutide has shown early signs of lifting; FDA now lists the drugs as available, though they currently remain on the official shortage list[1]
- Compounders in the U.S. are estimated to produce ~$1B worth of compounded GLP-1s in 2024[2]
- Compounded GLP-1s are often cash pay products and significantly cheaper than the branded commercial medication
- The ultimate scale and sustainability of the compounded GLP-1 market is largely dependent on 1.) evolving reimbursement policies from government and commercial payers 2.) in-process GLP-1 manufacturing supply coming online for Eli Lilly and Novo Nordisk 3.) emerging landscape and future approvals of other GLP-1 products

U.S. OBESITY MARKET IS EXPANDING RAPIDLY RESULTING IN A GROWING APPETITE FOR GLP-1s[3]



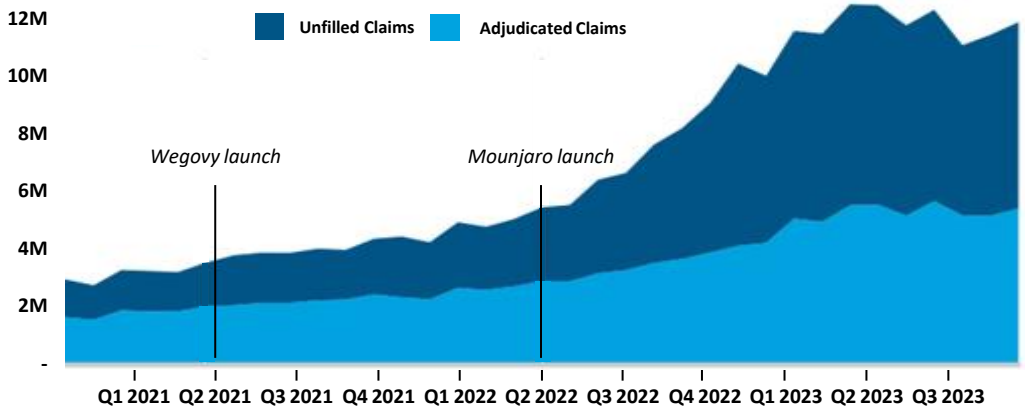
Source(s): 1) As of: 8/12/2024. All presentations are listed as "available" but for one Semaglutide presentation 2) Bloomberg: Unsafe Ozempic Knockoffs Are Flooding the Market, 6/22/2024; 3) J.P. Morgan: The Increase in Appetite for Obesity Drugs, 2/2/2024

EXPANDING GLP-1s MARKET AND CHALLENGES

Despite rapid growth, the GLP-1 market faces significant challenges. These include stringent regulatory hurdles, high treatment costs, patient adherence issues, and rising lawsuits related to safety concerns.

INCREASED DEMAND FOLLOWING BRAND NAME LAUNCHES[1]

Projected Volume, Selected GLP-1 Brands, All Payor Channels



- Wegovy's launch as a weight-loss variant of Ozempic led to a modest 3% monthly growth in GLP-1 prescriptions from June 2021 to May 2022. However, Mounjaro's introduction caused an 8% surge in prescriptions from July 2022, doubling adjudicated GLP-1 prescriptions across all payers
- Although more GLP-1 prescriptions were written, the rejection rate from payors increased from 30% pre-Wegovy to 41% post-Mounjaro, reflecting changes in patient access. Despite some transitional assistance, nearly 60% of written GLP-1 prescriptions remained unfilled in the first half of 2023 due to rejection from payors to be reimbursed

COMMENTARY

- Navigating stringent regulatory requirements from bodies like the FDA and EMA can be complex and time-consuming. State-level prescribing standards and telehealth regulations add layers of complexity, requiring adherence to specific requirements for obesity medication and compounding practices
- The high cost of GLP-1s limits patient access and obtaining favorable reimbursement from insurers remains a challenging aspect. For instance, achieving a 1% weight loss can cost up to $1,845 with semaglutide, and annual Medicare costs could reach $26.8 billion if 10% of the U.S. population used semaglutide[2]
- Research shows over 85% of users discontinue use after two years due to high costs, availability issues, and side effects. Only 14.8% of patients remained on the medication after two years[3]
- Increasing lawsuits related to safety concerns of GLP-1 drugs, such as gastrointestinal issues, can potentially erode trust in these treatments. The high demand for these medications has led to significant supply shortages, placing them on the FDA Drug Shortages List and allowing compounding pharmacies to produce them under specific conditions. However, once shortages are resolved, access to compounded GLP-1s will likely diminish
- Many compounders have benefited from the GLP-1 shortage, but at the expense of criticism within the public sphere. Many pundits are quick to forget scenarios in which compounders have provided necessary and life saving products to large sets of patient populations (e.g., recent amoxicillin shortage, Covid's impact on hospital's access to drugs)

KEY CHALLENGES

- Regulatory Hurdles
- Cost and Reimbursement
- Patient Adherence
- Rising Lawsuits
- Drug Shortages

Source(s): 1) IQVIA: New Demand in an Old Market 9/5/2023; 2) Drug Discovery & Development: Can Payers Afford New GLP-1 Drugs?, 3/29/2024; 3) Synapse: Semaglutide Faces Challenges with Long-Term Adherence, 8/6/2024

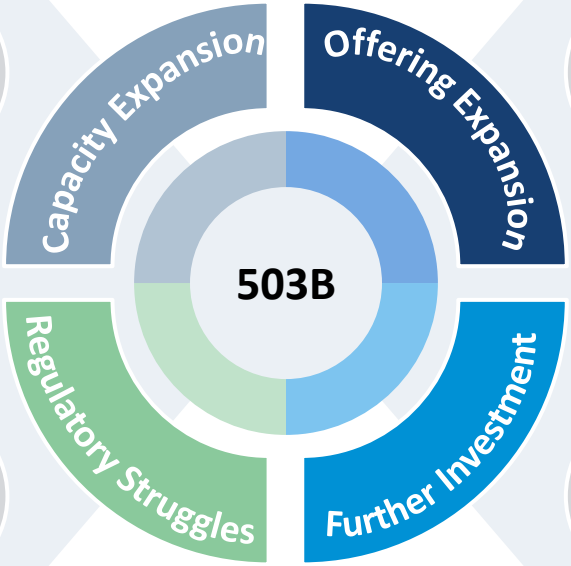
503B TRENDS GOING FORWARD

Compounding facilities will continue to play an important role in the pharmaceutical supply chain. Despite regulatory scrutiny, the 503B model is a cost efficient, scalable, and profitable approach to satisfying pharmaceutical demand.

- Nearly 50% of FDA registered 503Bs currently have an outstanding 483 report, meaning these facilities have been flagged for a condition that may constitute violations of the Food Drug and Cosmetic Act and related Acts[1]. Alongside growth in M&A activity, we expect continued focus on / investment in quality and regulatory compliance as quality systems become an ever-increasing differentiator for buyers and a critical factor in vendor selection
- cGMP compliance is costly, but noncompliance is far more costly – outsourcing facilities that understand this will benefit as low-quality providers lose out on their quality record alone
- Several private equity backed 503B platforms are likely to trade within the next 12-24 months, which will highlight investor sentiment on the space in the wake of the trends outlined below

503B demand will continue to rise, as the Joint Commission pressures hospitals to limit / cease in-house compounding. Existing 503B players will expand their offerings and boost production capacity to keep pace with hospital demand and increasing shortages

Non-503B pharmaceutical companies will continue expanding into compounding, leveraging its value to better serve institutional customers while using sales data to develop and file new products



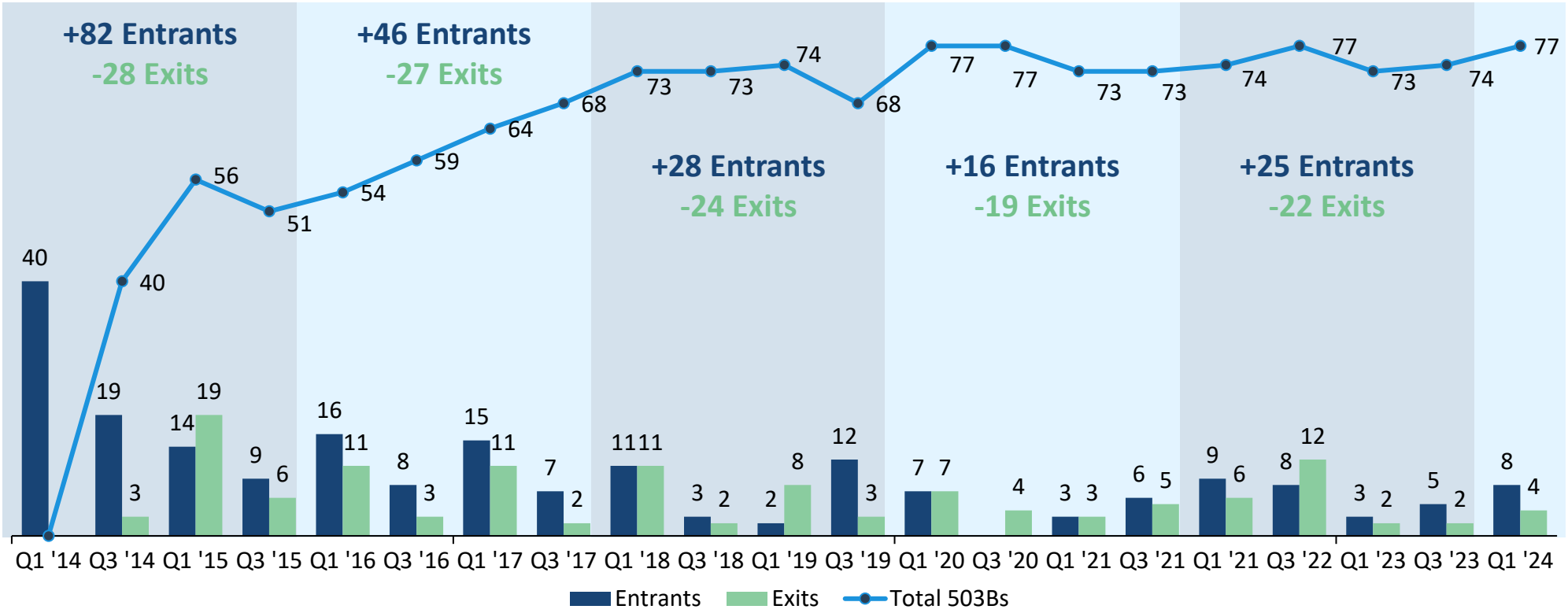
Presently, Quality and Regulatory (Q&R) challenges are prevalent across the industry; however, we anticipate that the FDA will collaborate with key stakeholders as 503B outsourcing facilities continue to play an increasingly vital role in the healthcare system

Significant interest from financial sponsors seeking to invest in a growing market segment driven by mega-trends such as personalized medication and a growing geriatric population

1) FDA: Registered Outsourcing Facilities, 8/2/2024

503B HISTORICAL ENTRY / EXIT TRENDS

The 503B industry's relative youth has resulted in a dynamic landscape, with only a handful of players establishing long-term success and stability. Quality across the industry is improving and the total number of outsourcing facilities has leveled off in recent years.



MAIN CHALLENGES THAT LEAD TO MARKET EXITS

- **Compliance Issues**: Compliance with cGMP is complex. As a newly regulated industry, there is significant "policy flux" compared to more established industries. Additionally, varying regulatory models from state to state make compliance challenging. Some groups have struggled to properly master the FDA's policies, leading to exits from the market. Despite stories highlighting quality issues with major players, there has been a general flight to quality in the industry. This is evident in the declining number of 503Bs with outstanding 483s. In 2018, all but two 503Bs had open 483s; today, about 60% of facilities do
- **Outsourcing Facility Operations Not Primary Business Model**: Diversified players, whether it be pharma companies, hospital systems, or specialty pharmacy chains that get into the space oftentimes end up leaving because 503B is non-core to their business model and proves difficult to master (typically also quality related)
- **API Availability**: The availability of APIs and drug inputs is another factor contributing to exits in 503B facilities. Many 503B players are not large-volume purchasers and have difficulty consistently sourcing quality, affordable APIs

Source: FDA website archived at various points in the year

PRECEDENT TRANSACTIONS

Bourne possesses unparalleled depth and breadth in compounding, having achieved superior results across the space.

Bourne led transaction

Date	Type	Target	Buyer	Commentary
Aug 2024	503B	Blinded	hims & hers	Hims & Hers has agreed to acquire an outsourcing facility, one of the few CA approved 503Bs in the wellness space. The deal will allow Hims & Hers to make compounded versions of weight-loss drugs and other medicines
Jul 2024	503A	Key Compounding Pharmacy; Taylors Pharmacy	Revelation Pharma	The latest acquisitions in Revelation Pharma's (Osceola Capital backed compounding platform) roll-up strategy across the 503A and 503B space. Platform currently has 16 member pharmacies
Jan 2024	503B	Asteria Health	biote	Biote acquired 503B manufacturer of compounded bioidentical hormones. Asteria was a longtime provider to Biote-certified practitioners and a Biote-partnered clinics across the US
Jun 2023	503B	Medivant Healthcare (d.b.a. of Tailstorm Health Inc.)	1315 Capital	1315 invested in Medivant, a sterile injectables focused 503B outsourcing facility providing injectables to hospitals and healthcare providers in 47 states
May 2023	503A	MedQuest Pharmacy	Belmar Pharmacy	MedQuest is a 503A compounding pharmacy and leader within Bio-Identical Hormone Replacement Therapy as well as a leader in CME accredited education
Jan 2022	503A Infusion	BHI Basic Home Infusion	BainCapital Double Impact	BHI is an operator of in-house compounding pharmacies and provider of home-based care for patients requiring intrathecal pump
Jan 2022	503A Infusion	aleracare	Hildred	AleraCare is a provider of infusion treatments and pharmacy services for high-need and medically complex populations; compounding pharmacy services are focused on men's / women's health, fertility, and veterinary
Nov 2021	503B	Leiters. Compounding Health	WCAS	503B outsourcing facility serving hospitals, ASCs, and physician and ophthalmic practices in all 50 states. Capability portfolio includes: PFS, vials, bag, and other injectable compounds
Jan 2021	503B	SCA pharma	Excellere Partners; Vistria	503B outsourcing facility providing RTU, sterile compounded products to hospitals and health systems nationwide

Note: Blinded target is pending close

Carson Riley

Vice President

criley@bourne-partners.com

980.372.2551

BOURNE PARTNERS

Luke Habecker

Associate

lhabecker@bourne-partners.com

980.372.2593