

COVIS PHARMA CASE STUDY TIMELINE

Covis Pharma is a global specialty pharmaceutical company focused on revitalizing deprioritized brands and promoting products within niche specialties. Its product portfolio addresses life-threatening and other serious medical conditions in various therapeutic categories. Covis was established in 2011 and is based in Switzerland.

\$325mm
total debt and equity raised

5
acquisitions

\$365mm
total M&A transaction value

14
brands acquired

\$1⁺bn
value creation

\$1.2bn
sell-side transaction

2011

2012

2013

2014

2015



Bourne Partners Teams with Management

Our team collaborated with management to co-found Covis and aided in creating structure, selecting the initial portfolio of assets, and creating and implementing the development and capital plans



Initial GSK Transaction
We advised Covis on its initial acquisition of and development/formulation strategy for a portfolio of 5 branded products from GSK



CREDIT SUISSE
Morgan Stanley

Debt Raise
We helped Covis raise debt in the form of traditional senior notes in conjunction with an acquisition revolver. These funds were used to close the Sanofi transaction



AstraZeneca Transaction
Bourne Partners identified the asset and advised Covis on its acquisition of 1 branded product from AZ



WellSpring Transaction
We identified the assets and advised Covis on its acquisition of 2 branded products from WellSpring

Sale of Covis
Bourne Partners identified the buyer and negotiated the sale of substantially all of Covis' assets to Concordia Healthcare Corp. for **\$1.2bn**



Incremental Equity Investment
Bourne Partners, Cerberus, and the other existing sponsors completed a follow-on equity investment to underwrite the Sanofi transaction



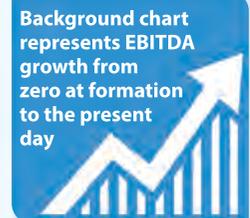
Bourne Partners Raises Equity Capital
We identified and circled numerous equity sponsors and with management, selected Cerberus as the lead sponsor. Bourne Partners is the second-largest investor and served on the boards of the Covis entities



Sanofi Transaction
Bourne Partners advised Covis on its follow-on acquisition of an additional branded portfolio of 5 products from Sanofi



Bayer Transaction
We identified the asset and advised Covis on its acquisition of 1 branded product from Bayer





We partnered with Covis' management to found, finance, grow, and sell the Company's products for \$1.2 billion within three years, demonstrating our pharmaceutical and healthcare industry operating expertise, and capital markets value-add

A COMPREHENSIVE PARTNERSHIP WITH MANAGEMENT TO CREATE OVER A BILLION DOLLARS OF VALUE FROM CONCEPT THROUGH EXECUTION AND SALE

The Story

Covis Pharma began as the idea of two former GSK employees that desired to create a specialty pharmaceutical platform company through the acquisition of several branded products from GSK. Given our firm's experience within the specialty pharmaceutical space as well as our relationships within the pharmaceutical industry, the founders of Covis reached out for our help. Over the next twelve months, we created the corporate structure, helped select the initial basket of assets, devised the product strategy, negotiated the initial asset purchase, and raised the equity necessary to consummate the initial transaction with GSK.

In order to facilitate growth and leverage Bourne Partners' extensive network of pharmaceutical and healthcare executives, Covis engaged Bourne Partners to act as an outsourced business development team, focused on sourcing and closing add-on acquisitions. Over the next three years, Covis added a portfolio of five branded products from Sanofi, one branded product from AstraZeneca, two branded products from WellSpring Pharmaceutical, and one branded product from Bayer HealthCare. In order to facilitate the sizeable Sanofi transaction, Bourne Partners and other partners funded additional equity and also aided in Covis' debt issuance syndicated by Morgan Stanley and Credit Suisse.

As Covis' scale and profitability grew, Bourne Partners identified Concordia as a logical buyer and exclusively negotiated the sale of substantially all of Covis' assets for \$1.2 billion to Concordia. Bourne Partners remains proud of its various roles helping to expand the Covis business as founders, board members, and financial advisors.

Objective

Covis engaged Bourne Partners to advise on asset selection, development and corporate strategy, corporate structure, and also created a competitive process to raise equity at a compelling valuation and structure for management and shareholders to start the company. Additionally, Bourne Partners was selected as an extension of management to lead development efforts to grow the company through acquisition and advise the company in its sale of select assets to a Bourne-identified buyer.

Process

In addition to being retained by Covis to secure equity financing to support the acquisition of the GSK products to start the company, Bourne Partners also added value by contributing to the development of Covis' corporate strategy and structure. After formation of the company, we played an ongoing role in the growth of Covis by leading business development efforts, closing four follow-on acquisitions. When Covis was looking to monetize, we identified a buyer and negotiated a \$1.2 billion sale of substantially all of its assets, while enabling investors to retain certain assets and a valuable Bourne-sourced M&A pipeline.

Result

Bourne Partners was successful in securing the financing for the formation of Covis, working alongside management to lead the business development and corporate strategy efforts, growing the business through a series of add-on acquisitions, and ultimately negotiating the sale of the majority of Covis' assets.

Transaction Counterparties

