

Highlights *Q1, 2020*

We are pleased to share Fletcher Spaght's Highlights, summarizing recent achievements within our specialized consulting practice groups. We appreciate your continued interest and support.

Alternative Therapy Provider

Is a follow up to the case in the previous quarter, FSI assessed key requirements and metrics that would allow for insurance coverage of alternative therapies beyond the more mainstream offerings (*e.g.*, acupuncture, homeopathy); expanded coverage needs were focused on self-insured employers, given initial analysis strongly indicated that self-insured employers are likely to be early adopters of any benefits that could lead to long term improvements and increased employee productivity; in addition, self-insured employers found marketing value associated with a more complete benefit offering beyond traditional insurance; effort included detailed analysis of adoption of existing alternative therapies and in-depth interviews with potential employer partners to understand gaps in needs, priorities, interest in alternative therapies and ideal new research data with key metrics that would drive adoption by other employer and insurer segments.

Interventional Oncology

Summarized clinical and innovation trends within Interventional Oncology; estimated market size and procedure volumes; analyzed the landscape of established and emerging competitors on behalf of a strategic player evaluating growth opportunities; efforts included profiling both leading players by product segment, as well as developers of numerous emerging technologies within the sector.

Pharmaceutical Packaging

Supported a Private Equity firm in pre-LOI diligence on a leading pharmaceutical packaging services vendor; conducted voice-of-the-customer research with commercial and clinical packaging executives at biopharma companies across a wide range of therapeutic areas, sizes and stages of development; FSI evaluated the overall dynamics and attractiveness of the pharma packaging services market and how the target company is positioned to support client's initial non-binding offer; target company ultimately traded for over \$3B.

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Call Center CRM

Performed technical due diligence on a provider of customer relationship management (CRM) integrated calling solutions and complementary sales campaign management tools; conducted in-depth interviews to evaluate the solution architecture, capabilities and potential of the development team, effectiveness of operational processes and competitive position; provided insights into the target's ability to scale up economically and efficiently while meeting current and potential new customer needs.

Imaging Core Lab

Performed market diligence on provider of centralized reading services for PE investor; efforts included interviews with senior clinical operations managers in customer and non-customer medical device companies to understand the bases of competition and relative performance of the target; modeled the market size based on the use of imaging for both screening and outcomes in medical device trials, as well as the number of regulatory related device trials by clinical segment each year.

Blood Loss Management Market

Assessed market trends and unmet needs in blood loss management tools; focused particularly in maternal hemorrhage which is currently undergoing review at many hospitals due to guideline changes by ACOG and the Joint Commission; FSI tested receptivity of multiple tools that could aid in better treatment; determined the likelihood of blood loss management tools being used in other OR procedures by interviewing and surveying multiple stakeholders such as surgeons, anesthesiologists, and nurse managers.

Total Artificial Heart Market

Sized and characterized the market for a Total Artificial Heart in the US and Germany based on in-depth discussions with heart failure specialists and transplant surgeons; efforts included gauging market receptivity, forecasting the initial revenue ramp considering epidemiology, and potential for applications in focused indications.

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Overactive Bladder Device

Conducted in-depth market diligence on a medtech company that develops stimulation devices to treat Overactive Bladder (OAB); comprehensive effort included developing a landscape analysis which sized and characterized the market for all OAB modalities, both current and in-development; leveraged in-depth one-on-one discussions with urogynecologists and urologists at geographically disparate US hospitals covering both major academic centers as well as community institutions; subsequently conducted a quantitative survey to supplement the findings of the interviews; analysis and findings included gauging market receptivity, finding potential for improvement of care, and forecasting the initial revenue ramp considering patient and provider economics.

Blood Collection Technology

Determined the level of unmet need and hospital likelihood to adopt a product designed to reduce hemolysis during IV catheter blood draws; estimated the addressable hospital market opportunity; facilitated a “go/no-go” decision to invest further in product development; efforts included in-depth interviews and quantitative online surveys with lab managers (clinical pathologists) and emergency department physicians at both academic and community hospitals.

Sleep Apnea Therapy

Examined the current and potential US market size for an Obstructive Sleep Apnea (OSA) therapy; evaluated existing and potential US market size, current market penetration, historic growth trends and projected outlook for Oral Appliance Therapy for OSA derived from input from prescribing sleep medicine physicians based on an extensive quantitative survey; analysis identified characteristics of the high growth segment of prescribers, barriers to growth, and the potential impact of addressing each challenge; effort supported development of client’s growth strategy as well as support for financing activities.

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Investment Fund Business Plan

Developed a business plan and a supporting operating plan for a proposed internal investment fund at a leading academic institution; the fund is aimed at providing financing to promising pre-clinical/early-stage therapeutics, diagnostics and devices that are typically research funded or seed-stage investments; worked with the internal team to define strategy and vision for the fund; engaged others within the organization to solicit comments and feedback; reviewed and incorporated insights from similar academic and non-profit investment funds; business plan was instrumental in securing approval and financing for the fund.

Pharmacy Benefit Manager

Updated a strategic business plan in a follow-on engagement with a pharmacy benefit manager (PBM); assessed current environment including competitive challenges caused by industry concentration and resulting market imbalances, regulatory and political headwinds, and healthcare reform; reviewed value of a captive PBM vs. outsourcing; detailed the significant economic, operational and outcomes benefits the parent company has derived over time from owning an in-house PBM.

FLETCHER SPAGHT, INC.

FSI PRACTICE GROUPS

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| Healthcare | Digital health, devices, healthcare information technology/services, diagnostics, therapeutics, services, <i>etc.</i> |
| High Technology | Internet, security, software, electronic commerce, communications, networking, hardware, services, <i>etc.</i> |
| Corporate Growth | Mature business transformation, growth to mid-cap, growth options, profit improvement and acquisition support |

FSI SERVICE OFFERINGS

- Strategy Consulting
- Growth Initiatives
- Market Assessment
- Competitive Intelligence/Analysis
- Investment Due Diligence
- Technology Commercialization
- Corporate Partnering

FSI STAFF

The professionals of FSI have expertise in both strategy consulting and the industries on which we focus. To facilitate our international assignments, members of our staff are fluent in the major European languages and Chinese (Mandarin).

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