



CAPRION

**Sprigboard Forum:
Acquisition for Accelerated Growth**

October 4, 2018

CAPRION BIOSCIENCES OVERVIEW

- Founded in 2000
- 202 Employees (150 scientists)
- Facilities in Montreal (Canada), Fremont (CA, USA) and Gosselies (Belgium)
- Leading contract laboratory research services provider to pharma, biotech and government clients based on two proprietary flow cytometry and mass spectrometry technologies
- Primary focus on precision medicine, immunology and biologics
- Sustained annual revenue growth (CAGR) of 25% over last 10 years
- Private equity ownership (GHO Capital, London UK)



Best-in-Class Laboratory Contract Research Services Provider



Integrated **immune monitoring** solutions for monitoring of immune responses to vaccines and other immuno-therapies

Quantitative **mass spectrometry** for comprehensive large-scale proteomic profiling and prediction of therapeutic response

- Multiparametric flow cytometry - up to 18 simultaneous colours / parameters
- Pre-qualified and customized assays
- Strong franchise and rapidly expanding market share in Immune oncology Phase 1, 2 and 3 clinical trials

- Comprehensive detection and quantitation of 1000s of proteins across large sets of biological
- Discovery and validation of novel therapeutic targets
- Detection of biomarkers for predicting therapeutic response

Fully Integrated High Content Service Approach



**Highly-Skilled
Scientific Team**



**Tailored Approach /
Fit for Purpose
Method Qualification**



**Comprehensive
Bioinformatics
Analysis**



**Biological
Interpretation &
In-Depth Reporting**



**Robust Clinical
Testing (GCLP)**

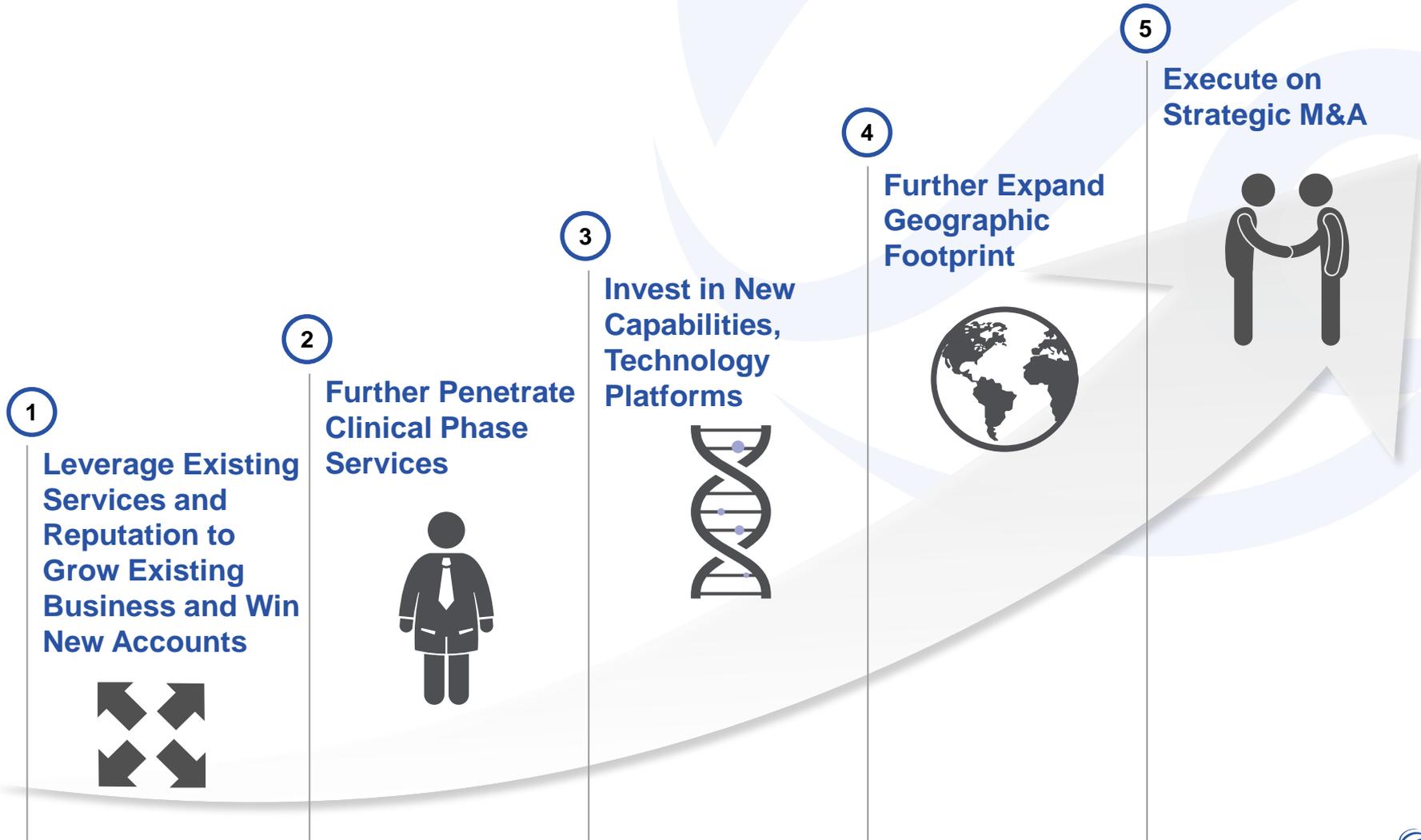
Partner of Choice for Over 80 Leading Global Pharma, Biotech and Not-for Profit Clients

- Fee-for-service model
- All therapeutic areas:
 - Cancer, autoimmune, infectious CNS, inflammatory, metabolic and cardiovascular diseases
- All biological sample types:
 - Plasma, serum, PBMCs, urine saliva, CSF, cells, tissue
- “Turn-key” services:
- Covering complete drug development spectrum:
 - Discovery
 - Pre-clinical development
 - Clinical development



Multipronged Opportunities for Strong and Sustainable Growth

Positioned to pursue multiple actionable growth opportunities



Proven Ability to Broaden Services and Channel Capabilities through Strategic Alliances and M&A

- Demonstrated history of successful evaluation, acquisition and integration of accretive acquisitions, along with forging mutually beneficial strategic alliances
- 4 acquisitions since 2010 (1 in Canada, 2 in US, and 1 in Europe)
- Highly fragmented industry with multiple M&A opportunities
- Key acquisition target areas include:
 - Immunology / immunogenicity services
 - Complementary biomarker and “omics” service companies
 - Mass spectrometry and bioanalytical services
 - Process development services

Global Expansion Through Highly Accretive Acquisitions

Case Study 1: National Immune Monitoring Laboratory (NIML)

- Founded in 2004 in Montreal as National Immune Monitoring Laboratory (NIML)
- Acquired in 2011 from Genome Quebec, CHUM and UdeM (renamed ImmuneCarta Services)
- Provide immune response monitoring assays to address discovery, pre-clinical, and clinical development objectives
- 13 employees at time of acquisition (now over 100)
- Integrated and moved into existing Caprion Montreal lab facilities
- **Acquisition rationale:**
 - Represented unique opportunity to diversify technology platforms, service offering and revenue streams (vs single proteomics offering)
 - Complementary services selling to same target clients
 - Perceived high growth market potential in immunology
 - Fully operational scientific team with differentiated expertise

Global Expansion Through Highly Accretive Acquisitions

Case Study 2: ImmuneHealth

- Acquired in September 2016 (renamed **CAPRION BIOSCIENCES S.A**)
- Initiated as partnership between GSK Biologics and Université Libre de Bruxelles (ULB)
- 6000 sq.ft facility located in Gosselies, Belgium
- 20 employees (increased from 11 at time of acquisition)
- Completed integration, tech transfer and cross-validation of capabilities between Montreal and Gosselies
- Over 30 ongoing studies and grew revenues from \$1 to over \$8 million in 2 yrs
- **Acquisition rationale:**
 - Growing demand for analysis of fresh whole blood samples (24 hr stability)
 - Needed footprint in Europe to qualify as preferred vendor for global clinical trials Immunology / immunogenicity services
 - Acquisition represented the most rapid and efficient avenue to expand into the region
 - Strong expertise in infectious disease and vaccine immune monitoring services to help diversify ImmuneCarta services

Global Expansion Through Highly Accretive Acquisitions

Case Study 3: Primity Bio

- Acquired in August 2018
- Founded in 2009 by 2 Stanford-trained PhD Immunologists
- 12,500 ft² lab facility in Fremont, California
- 24 employees
- Strong revenue and EBITDA growth
- Customer base mostly non-overlapping with Caprion's
- **Acquisition rationale:**
 - Strengthened current offering with highly complementary and well-differentiated biomarker and immune monitoring services (PhosFlow, CyTOF, cell sorting)
 - Further expansion of geographic footprint to better serve US west coast and Japan customer base
 - Skilled and motivated founders thought to provide source of innovation for future growth from launch of additional service (Genomics biomarkers, Web-based flow cytometry data analysis software)

Global Expansion Through Highly Accretive Acquisitions- Lessons learned

- Ensure alignment on key strategic parameters prior to closing
- Ensure active leadership and involvement from Senior Management throughout pre and post acquisition process
- Determine requirement, extent and approach to integration based on availability of resources, difference of size between the businesses, degree of risk and complexity of issues
- Need to distinguish integration from harmonization and ensure proper integration first
- Be very mindful of cultural differences (leadership style, management, organisation structure, working practices)
- Establish clear communication plan from day one communication and cascade information throughout the organisation

Key Factors for Successful Integration

Based on Lessons Learned

- **Cultural Differences**

- Leadership style, management, organisation structure;
- Working practices

- **Communication Plan**

- The Day One communication
- Cascade information throughout the organisation

- **Senior Management**

- Critical to be actively involved;
- Senior management must be approachable and involved actively in the merged company;
- The new senior management team must also show support and learn quickly to operate as a team.