MCI Onehealth Technologies Inc.

Initiating: Leading Clinic Network Empowers Private Care, Data Commercialization; Scale, Urban Focus Support Advantaged Position. Acquisitions Seen as Catalysts.

DRDR-TSX: $3.32
Speculative Buy
$5.50 Target

Thesis: We look for management to successfully monetize on its core clinic platform as it provides leverage to accelerate its privately insured business and data monetization platform. We view MCI Onehealth's first acquisition of the data analytics platform, Khure Health Inc. (Khure), for up to $13.5M as a strong reflection of its bullish view towards commercialization of the Company's brightOS data platform. The acquisition brings key analytics capabilities and established relationships with top global pharmaceutical companies.

We believe the scale and location of the Company's clinics represent critical operational, and more important, strategic values that are being discounted by investors. We expect accretive acquisitions and growth in private care to showcase revenue synergies derived from the core platform. Consequently, we believe the current enterprise value at ~$132M significantly undervalues MCI's franchise. **Our price target of $5.50 leaves significant upside with accretive acquisitions and data commercialization.**

Platform Leverage: The profile and accessibility of the Company's 25 clinic network in the Toronto and Calgary urban markets, home to roughly 40% and 14%, respectively, of Canada's head offices (Canadastop100, Calgary Economic Dev.) represents a significant contributor to the emerging growth of private care. Where 2021 total clinics revenues push ~$44M, the associated patient referral revenues are a multiple thereof. Consequently, strategic acquisitions offer the potential to capture robust referral volumes. **Despite the current market discount accorded to "bricks and mortar", we are bullish on MCI Onehealth's clinic portfolio as a key driver to both its private health and data commercialization.**

We see digitization, technology, data monetization, and virtual delivery leading an evolution of the traditional view and economics of clinics redefining them as comprehensive, periodic care hubs offering integrated care. The Company's recent partnership with ReGen Scientific (Private) reflects the partner leverage and synergies with the clinics, while pointing to growth in privately insured care, precision medicine, and data commercialization. While the clinics evolve at a measured pace, we look for improving margins and advancing free cash flows as we await a return to the new norm in a non-pandemic environment. We look for the Company's vertically integrated strategy to broaden its total addressable market (TAM) through expanding horizontally as it builds out specialist, allied, and mental healthcare capabilities.

Largest Primary Care Platform: We forecast the 20 Ontario (Greater Toronto Area) and 5 Alberta (Calgary) focused primary care clinics to contribute revenue/gross profit of ~$38.6M/$12.3M or 83%/72% of overall 2021 results. The clinics' urban focus has worked to their detriment during the COVID-19 lockdown periods with clinic revenues down ~22% in 2020 from 2019. However, we look for a building recovery in 2021 (~10% y/y growth) as we emerge from the pandemic and pent-up demand is addressed. The fully digital clinics currently see virtual care running on par with physical visits, while video is progressively displacing phone visitations. We look for selective tuck-in acquisitions where specialist, allied, and mental healthcare are likely to be prioritized given their cross-referral revenue synergies, higher margins, and data opportunities.

Privately Insured, Corporate Services: MCI Onehealth expanded its private healthcare from $1.4M in 2019 to $3.4M in 2020, as it has secured contracts with over 300 corporate customers

Projected Return: 65.7%
Discount Rate: 10%
Terminal Year: 16.5x EV/EBITDA

MCI Onehealth Technologies

Market Capitalization - Basic ($M)	156.1
Net Debt - FD ($M)	(23.9)
Enterprise Value - FD ($M)	132.3
Basic Shares O/S (M)	47.0
FD Shares O/S (M)	47.0
Avg. Daily Volume (000)	75.3
52 Week Range	$2.49 - $4.60
Dividend Yield	0.0%

Financial Metrics

FYE - Dec 31 ($M)	2020E	2021E	2022E
Revenue	38.6	46.4	57.5
Gross Profit	12.9	17.1	23.2
Adj. EBITDA	2.2	(1.2)	1.6
EPS	($0.03)	($0.10)	($0.04)
FCFPS	$0.11	($0.07)	$0.01
Net Debt / Adj. EBITDA	(10.8x)	NM	(15.0x)

Valuation Data

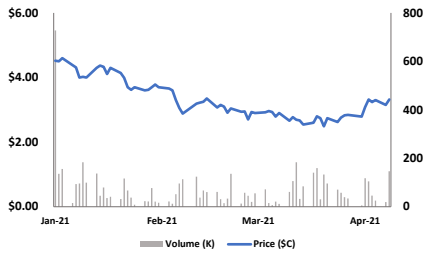
		2020E	2021E	2022E
DCF - Current/Target ($)			$5.26	$5.62
EV/Revenue	Current	3.4x	2.9x	2.3x
	Peers	8.6x	5.1x	3.4x
	Target	6.1x	5.1x	4.1x
EV/Gross Profit	Current	10.2x	7.8x	5.7x
	Peers	15.1x	10.8x	5.9x
	Target	18.2x	13.8x	10.1x

Quarterly Data

($M)		Q1	Q2	Q3	Q4
Revenue	2021	9.5	10.5	12.5	14.0
Gross Profit	2021	3.2	3.8	4.6	5.4
EBIT	2021	(2.1)	(1.0)	(0.9)	(0.7)
Adj. EBITDA	2021	(1.1)	(0.2)	(0.1)	0.3
FCF	2021	(1.5)	(1.3)	(0.3)	(0.3)

Company Description

MCI Onehealth Technologies Inc. provides healthcare and healthcare related services to patients and the employees of corporate customers in Canada. The company provides its services through a network of 25 brick and mortar clinics, as well as through telehealth/virtual care consultations. The company was formerly known as MCI Brighthealth Technologies Inc. and changed its name to MCI Onehealth Technologies Inc. in December 2020. MCI Onehealth Technologies Inc. was incorporated in 2012 and is headquartered in Toronto, Canada.



Source: S&P Capital IQ, Echelon Estimates

Rob Goff, CFA (Analyst) | 416.933.3351 | rgoff@echelonpartners.com
Mike Stevens, CFA (Senior Associate) | 647.253.1128 | mstevens@echelonpartners.com

(40 new wins in Q420 alone), a significant number of which are Fortune 500 companies. We look for 2021 growth of roughly 66% to generate $5.6M of revenues, representing ~12% of total revenues and ~18% of gross profits. The higher margin segment is a primary focus of MCI's and the Company is allocating additional resources, as well as forming new partnerships to accelerate its growth. The profiles and urban locations of MCI's clinics have been a clear asset, empowering its private care. We are bullish towards private care as companies recognize the attractive paybacks available for supplementary employee coverage. **The challenges of the public primary care system around access and efficient triaging make attractive economic paybacks for enterprise health before considering employee attributed value.** Building mental wellness capabilities for both clinics and private care are key parts of the Company's strategy.

Data Monetization: We look for MCI to announce data partners and commercial pilots within the next six months. MCI's target customers include global pharmaceutical companies and device manufacturers, government agencies, and research institutes. **Global pharmaceutical contracts will vary in scale and structure; however, they hold the prospect of exceeding $0.5M-1.0M annually. Contracts are likely to be primarily subscription based carrying high SaaS margins in excess of 75% while they could include additional usage charges and/or royalties.** We look for announced beta trials entering the second half of 2021 with commercial wins exiting the year. **We note that Ernst & Young (EY) published a report on healthcare data values which would value MCI's data at ~$165M or $3.50/share (see Appendix Four). We believe commercial contracts are likely to be a critical catalyst leading to increasing capital markets recognition. We see investors looking through modest performance swings in clinic revenues as they reflect on pandemic restrictions. However, investors clearly look for progress in the Company's data commercialization.**

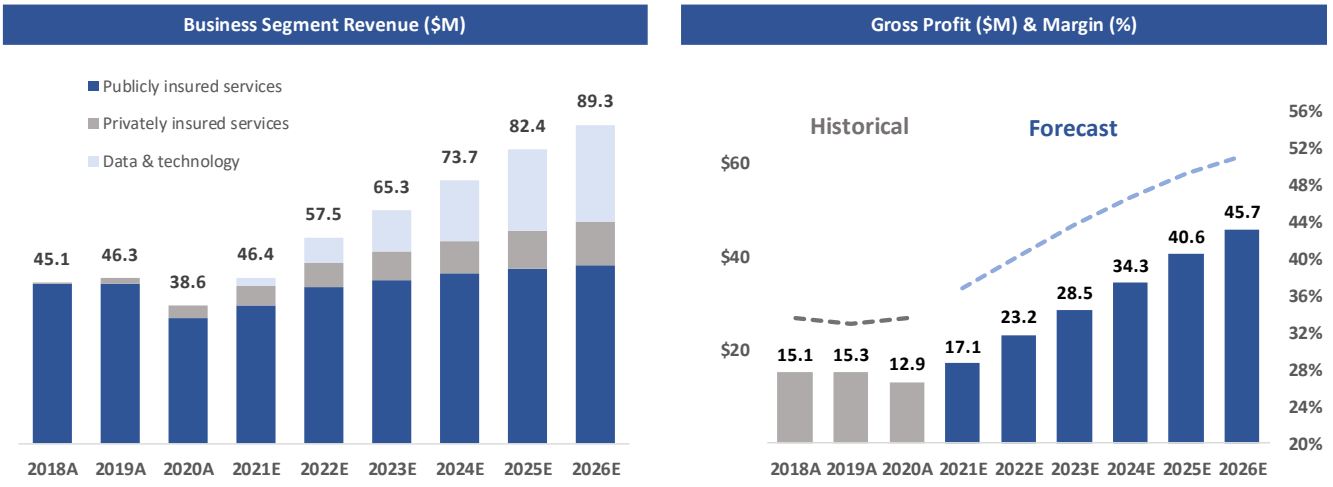
We believe the acquisition of Khure for up to $13.5M highlights and strengthens the prospects for MCI's brightOS data commercialization. Khure has existing relationships with the top 10 global pharma and medical equipment device manufacturers who represent priority targets for the brightOS data and analysis platform.

Insiders' View: The structure of the Khure acquisition – with between 93-96% in MCI shares, dependent on revenue milestones – is a bullish reflection on Khure's view of MCI's data prospects.

Forecasts: We forecast 2021 revenue/gross profit/EBITDA at $46.4M/$17.1M/($1.2M) reflecting y/y growth of 20%/32%/NM. We are modestly below the consensus at $49.4M/$19.0M/($0.9M). The Company's financials will clearly vary with external factors impacting clinic traffic (COVID-19), ongoing private health growth, and data monetization, but also around pacing of R&D and sales expansion designed to accelerate growth. **While modestly below the consensus for Q121, and in turn for the full year 2021, we attribute the difference to lower clinic revenues around conservative COVID-19 assumptions. We focus on delivery to our bullish data and private care forecasts as the key market focus.**

Our 2022 forecasts continue to reflect a modest recovery in clinic performance (although still below 2019 levels). We continue to believe the key focuses are continued growth and gaining scale in corporate health and data commercialization. At some point, clinics are likely to outperform our baseline forecast with a recovery from pandemic constraints and with a wash of pent-up demand. We conservatively forecast privately insured corporate health growth at 20% in 2022 against 66% in 2021, while representing ~12%/12% of total revenues and ~18%/16% of total gross profits in 2021/2022. Following MCI's Khure acquisition, we forecast total data revenues of $2.2M in 2021, growing to $6.8M in 2022, where it represents ~5%/12% of total revenues and ~10%/22% of total gross profits in 2021/2022. We feel we are conservative in projecting SaaS gross margins of ~75% for MCI's data revenues in 2021, while moving to ~76% in 2022. **We look for 2023 data revenues to reach $11.6M, including roughly $6.5M from Khure, where the data segment would be expected to represent ~32% of total 2023 gross profits. Data commercialization clearly represents a redefining initiative, where we model a 2021-2026 five-year CAGR of ~65%, ultimately reaching ~31% of MCI's total revenue in 2026.** Our 2022 forecasts for revenue/gross profit/EBITDA come in at $57.5M/$23.2M/$1.6M, reflecting y/y growth of 24%/36%/NM, and being slightly below consensus on revenue and gross profit at $58.2M/$23.6M, while comfortably ahead of the consensus EBITDA at $1.2M.

Exhibit 1 – Segmented Revenue Build-up and Gross Profit Expansion (Organic Base Case)



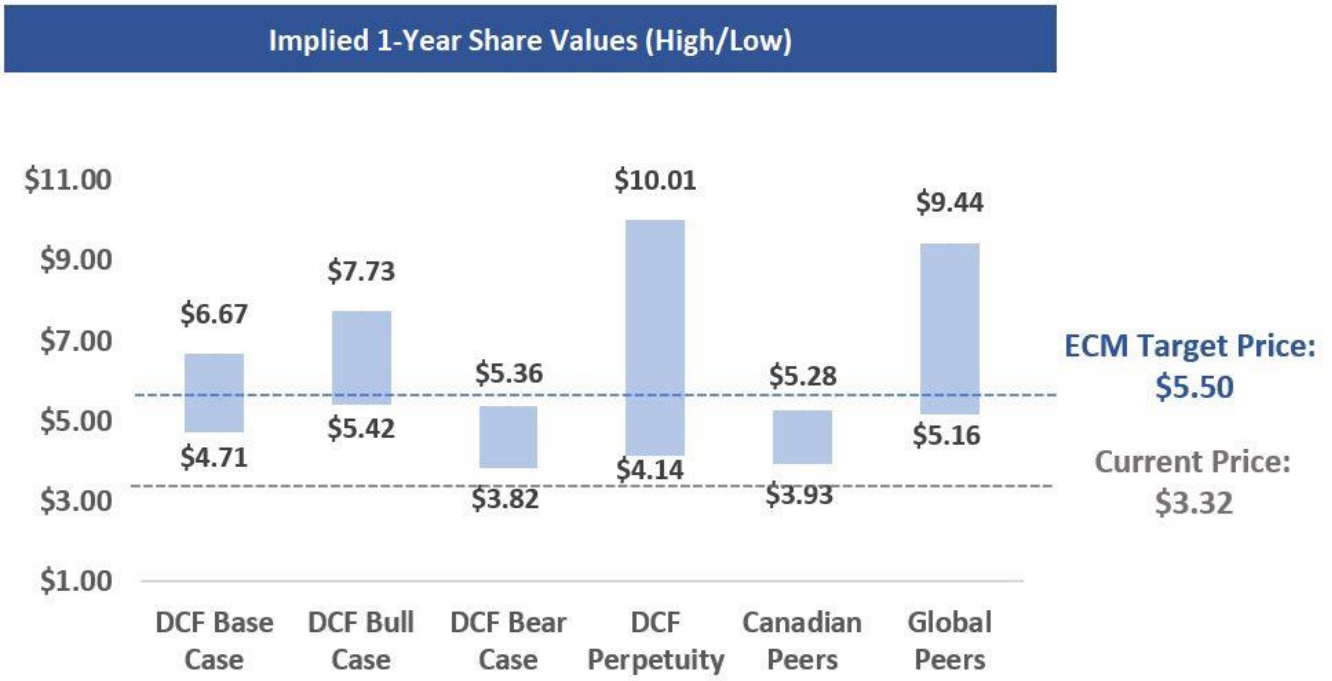
Source: MCI Onehealth financials, Echelon estimates

Valuation: We believe MCI shares are heavily discounted at 2.9x/2.3x 2021/22 EV/revenue and 7.8x/5.7x EV/gross profit, against its seven Digital Canadian Healthcare peer medians (see Exhibit 4 for detail) at 5.1x/3.4x EV/revenue and 10.8x/5.9x EV/gross profit, and our broader North American peer set of 23 names (see Exhibit 24 for detail) at 5.5x/3.9x and 11.5x/8.6x.

Valuation Summary: We highlight the following valuation summary with its high and low implied one-year share values for each of the listed valuation scenarios. Key assumptions for each valuation method include:

- **DCF Base/Bull/Bear Cases**: Base/Bull/Bear cases refer to our organic Base/Bull/Bear forecast scenarios found in the **Forecasts** section of this report; the *low prices* all assume a 12.0% discount rate and a 14.5x exit EV/EBITDA terminal multiple, while the *high prices* assume an 8.0% discount rate and 18.5x EV/EBITDA terminal multiple. Prices are discounted back to one year from today;
- **DCF Perpetuity**: DCF Perpetuity refers to the Perpetuity DCF valuation method on our organic Base forecast, in contrast to the above EV/EBITDA terminal multiple method; the *low price* assumes an 11.0% discount rate and a 4.5% perpetual growth rate, while the high price assumes a 9.0% discount rate and 6.5% perpetual growth rate. Prices are discounted back to one year from today;
- **Canadian Peers**: Canadian Peers refers to our Digital Canadian Healthcare peer group's 2022 EV/revenue multiple; the *low price* assumes a 2.8x multiple associated with our MCI 2022 revenue estimate, while the high price assumes a 3.9x multiple (we excluded the top multiple of 10.1x for conservatism). These prices reflect implied prices today and are thus more conservative than one year out;
- **Global Peers**: Global Peers refers to our Global Digital Healthcare peer group's 2022 EV/revenue multiple; the *low price* assumes a 3.8x multiple associated with our MCI 2022 revenue estimate, while the high price assumes a 7.3x multiple (these multiples reflect the average 2022 EV/revenue multiple for companies with less than 15% 2022 revenue growth and greater than 15% revenue growth, as referenced in Exhibit 5). These prices reflect implied prices today and are thus more conservative than one year out.

Exhibit 2 – Valuation Summary and Share Price Opportunity



Source: S&P Capital IQ, Echelon estimates

DCF Valuations: Our baseline organic DCF of $5.62 supports our $5.50 price target. Our Bear and Bull organic scenarios support DCF valuations of $4.53 and $6.49, respectively. When turning to acquisition scenarios our Base and Bull M&A scenarios derive incremental DCF accretion of $0.73 and $1.98, respectively. These acquisition scenarios assume $10M and $20M of annual enterprise value acquired to our organic Base, which would, in turn, push our 2021-2026 organic gross profit CAGR of 22% to 25% and 28%, respectively.

Post-IPO Market Sentiment: MCI's shares began trading on January 6, 2021, following its $30M IPO. With the issue of 6M treasury shares at $5.00 (Echelon participated in the syndicate), the Company will have ~47.0M shares outstanding following the closing of the Khure acquisition later this quarter. Management and the Board own 74% of the common shares, while Co-Executive Chairs Dr. Sven Grail and Dr. George Christodoulou together own 69.6%, and founder and CEO Dr. Alexander Dobranowski holds 4.4%. Management's shares have an 18-month hold.

Since the IPO in early January, MCI's shares have declined ~34%, while its 7 Canadian peers have declined by an average of 7% and its 23 Global peers have remained flat. We attribute pressure on the shares to an early 2021, lockdown-induced, and increasingly bearish market sentiment towards physical clinic ownership with the prolonged pandemic strengthening the cautious view towards physical platforms. We would also point to a broader sector rotation out of previously high-flying domestic digital healthcare stocks, as the average return for MCI's 5 domestic peers that were public companies in 2020 exceeded 420% last year.

We have seen a dichotomy in the market where existing public shares have underperformed, while investors have lined up, and arguably paid up, to participate in high-profile IPOs. **While execution is expected to improve sentiment and, in turn, MCI's valuations, we look for acquisitions and data commercialization as significant catalysts for DRDR shares.** We see acquisitions highlighting the referral revenue power of the Company's clinics, where they expand capabilities that in turn empower their corporate health business. Furthermore, we see investors rewarding companies with track records of successful, accretive acquisitions. **We see the merits of the Khure acquisition as a strong reflection on management's focus on data monetization and the evolution of MCI Onehealth. While relatively small, we see the $250K investment in the high potential, personalized genomic banking start-up Acorn Biolabs as support for management's commitment to transform MCI Onehealth's growth profile organically and through investing in**

related data and technology. As noted, the partnership with ReGen reflects a focus on building precision care capabilities, deepening its data base, and an ability to leverage its clinic profile.

We note that following the IPO, MCI had cash of roughly $27.7M, no debt outstanding, and an untapped $1.0M bank line of credit. The Company updated its position in late March with its 2020 fiscal year results stating that MCI increased its line of credit to $1.5M. We have modelled MCI's cash exiting Q221 at ~$23.9M.

Catalysts Toward Narrowing the Valuation Gap: We see data commercialization as a critical catalyst given its tremendous growth opportunity and potential to recalibrate MCI's margins. We look for database partnerships to be announced and beta trials with global pharmaceutical companies and research organizations entering H221 with the first commercial contracts announced exiting 2021 or potentially entering 2022. We expect each stage to progressively build confidence that blue-sky valuations, such as EY's implied valuation of MCI's patient data of $165M, bear commercial grounding or at least define the blue-sky potential. **We look for acquisitions in complementary care such as mental health and allied care to broaden the Company's TAM while demonstrating the scale synergies and patient referral leverage associated with its 25 clinics. We look for ongoing wins in the Company's corporate health segment to refocus investors on MCI's growth profile and the leverage of its concentrated, urban-focused clinic networks**. An emergence from pandemic restrictions is likely to see a surge of pent-up demand for physical visits, as many have postponed visits given prevailing health concerns and restrictions.

The Elephant in the Room: Amazon's (AMZN-NASDAQ, NR) announcement that it was looking to enter the telehealth space has grabbed headlines and contributed to a ~40% drawdown in Q121 for the shares of bellwether Teladoc (TDOC-NYSE, NR); they've since stabilized leaving the stock down ~6% YTD. While Amazon will undoubtedly capture significant users with successful execution, we see it endorsing MCI Onehealth's strong viewpoint towards omnichannel, periodic care. Teladoc's $18.5B acquisition of Livongo in Q320 was viewed as the company adding periodic care while building a protective moat against anticipated competition such as Amazon. MCI Onehealth looks for bricks and mortar visits to level off and approach parity with virtual appointments as we emerge from COVD-19 with a view that clinics may initially see 60% of its visits being physical (given pent-up demand for certain services that are better suited to clinic visits) before the mix drifts back to a more even split.

Pipeline: While MCI describes its acquisition pipeline as active and potentially transformative, the Company intends to announce definitive agreements and only release LOIs by exception, where they would represent a material impact to MCI and there is a high degree of confidence that a definitive agreement will follow imminently. **We believe there are five to six prospective discussions that have advanced to LOIs. We believe the Company is prioritizing mental wellness and allied care, where it looks to establish an integrated physical and virtual product offering. Both areas would, in turn, accelerate its corporate healthcare momentum as the Company becomes a comprehensive solution provider to attract new clients and expand its share within its existing 300+ corporate clients and Fortune 500 customers. Furthermore, acquisitions of mental wellness and allied care clinics would allow the Company to recapture existing referral volumes thus immediately shifting economics in its favour.**

Executive Summary

MCI Onehealth's 25 urban primary care clinics represent a solid foundation, where the prospects of an evolving return to normalized, pre-pandemic 2019 revenue/EBITDA of $46.3M/$3.8M position it as a strong platform generating funding, referral revenues for prospective acquisitions, a strong market profile for the Company's emerging private care, and a critical source of proprietary data and patient access for its brightOS data monetization. These views support our arguably non-consensus bullish outlook for MCI Onehealth's clinics and the Company overall. We look for management to successfully evolve its clinics to become integrated digital hubs, while building out its private health and commercializing the significant data monetization potential of brightOS. We see acquisitions supplementing and leveraging organic growth. We expect the Company to expand horizontally, acquiring and building out specialist, allied, and mental healthcare capabilities within the vertically integrated strategy. **We look for revenue synergies to be a core element of acquisitions given that the Company currently refers out significantly more revenue than it books to MCI clinics. Strategic acquisitions hold the potential to capture a share of these lost referral revenues.**

We believe investors are significantly undervaluing the Company's franchise, and in particular, its potential given the ongoing transformation MCI is undertaking where it will evolve from a legacy primary care provider to a data-driven, holistic care provider, helping to reshape treatment options and patient outcomes. **Our price target at $5.50 leaves significant room for upside revisions with accretive acquisitions and demonstrated data commercialization within the next 12 months.** MCI has arguably already started to validate that thesis with its latest technology acquisition of Khure (see pg. 17 for more details).

Our bullish view imbeds confidence in the Company's Board and management as stewards of the financial resources available to the firm and in executing both its strategic and operating plans. The Company's Board and management strength (as follows, and in Appendix Five) presents strong evidence for our view.

Board, Management Strength: We believe management and board sponsorship support expectations for strong operating and strategic execution while bringing significant resources for strategic networking and access to capital. In particular, we note the success of founders Dr. Sven Grail and Dr. George Christodoulou in building the Altima Dental network of over 100 dental clinics. Beyond their vision and extensive network, they have developed key automation technologies within Altima Dental that have been transferred at no cost to facilitate the build-out of MCI Onehealth. We further highlight CEO, Dr. Alex Dobranowski's position on the Board where he brings demonstrated success as a technology focused visionary in the ecosystem. The Board includes Anthony Lacavera, whose industry defining role as the founder of Wind Mobile and his subsequent success through his technology focused start-up studio and global investment firm, Globalive Communications Corp. (Private) brings both an extensive network and demonstrated expertise in technology. The connection with Globalive extends to include lead Director Kingsley Ward who in addition to his broad-reaching activities as a private equity investor, has several relevant Board roles including Chairman of Globalive Technology (LIVE-TSXV, NR). We further note that Scott Nirenberski moved from his role as COO Globalive Technology Inc. to his CFO role with MCI Onehealth. Director Bashar Al-Rhany brings a strong record of accomplishment including his leadership in expanding BCA (Bank Credit Analyst; Private) to its current global recognition as an independent macroeconomic investment research firm.

While forecasting aggressive returns around a positive revaluation, the core of our bullish thesis is built on our positive view of management and the market opportunity.

Foundational Primary Care Network: MCI's primary clinics are forecast to contribute revenue/gross profit of $38.6M/$12.3M (31.8% gross margin) or 83%/72% of overall 2021 results. The clinics' urban focus has worked to their detriment during the COVID-19 lockdown periods and with the existing lockdowns still persisting into 2021. While very much subject to the COVID-19 evolution, we remain conservative in our return to previous full-year highs, forecasting 2022/23 primary clinic revenues at $44.0M/$45.8M against the previous high in 2019 at $44.9M. However, we recognize the potential for outperformance with a resurgent recovery where COVID-19 headwinds turn into a tailwind where pent-up demand leads to significant demand well beyond pre-COVID-19 levels. The primary care clinics are fully digital, providing virtual care with the virtual and physical sessions currently evenly split, while video is progressively displacing phone visitations. We note the Deloitte survey of physicians highlighting their expectation that virtual care should normalize at roughly 30-35% of primary and chronic care (see Exhibit 30). Other industry participants expect

virtual to represent 40-50% of visitations. **Industry participants see virtual care playing a central role as a triaging tool or gateway role for both public and private care.**

Growth in Private Care: MCI Onehealth has seen early robust growth in its privately insured corporate business where revenues grew ~140% y/y in 2020 and the business represented ~11% of total revenues in Q420 from ~3% in 2019. MCI added more than 40 corporate customers organically in Q420 to its ~300 total corporate customers. **The significant inclusion of Fortune 500 companies within its base supports a clear land and expand strategy.**

The often-challenging access, ineffective triaging and referrals within the public care clinic ecosystem underly compelling economics for private enterprise to embrace private care. With this backdrop, MCI is seeing strong demand for its suite of comprehensive medical and occupational health services, where the Company can offer expedited onsite access and triaging that underly the employer's payback. MCI is finding that it can more efficiently provide comprehensive service capabilities that in some cases replace enterprises hiring full-time staff. The Company believes it has the means to provide these corporations with custom health packages that incorporate an all-inclusive one-stop healthcare platform. We look for 2021/2022 revenue growth of roughly 66%/20% to generate $5.6M/$6.7M of revenues, representing ~12%/12% of total revenues, while we model corporate gross margins of ~56% in both years. **We are optimistic that our 2022 forecasts will be exceeded. The move to introduce coverage in the Calgary market in particular presents significant upside.** We are bullish towards private care as companies recognize the attractive paybacks available for supplementary employee coverage, as well the higher importance placed on healthcare by employees in a post-COVID world. **Adding agency care capabilities would facilitate further contract wins and position MCI to expand. We noted that the GTA and Calgary markets count for 54% of Canadian head offices.**

Data Monetization: We look for the Company to announce data partners and commercial pilots for its data monetization platform, brightOS, within the current year. **Target customers include global pharmaceutical companies, government agencies, and research institutes where global pharma contracts are likely to exceed $0.5M annually and could extend to multiples thereof. We look for announced beta trials entering the second half of 2021 with commercial wins exiting the year.** We note that EY published value ranges on primary data that would support a median value of ~$165M or ~$3.50/share for the Company's existing data. However, we recognize that commercial contracts are likely to be a critical catalyst for capital markets recognition. We highlight that MCI has contracted over 50 technology employees focused on its data initiatives, representing the heavy lifting associated with clinic digitization, adding features and applications to the platform. It is noteworthy that the **Company's annual technology spend is put at roughly $2.5M/$4.0M for 2021/2022.**

Khure's existing relationships with the top 10 global pharma and medical equipment device manufacturers who represent priority targets for the brightOS data and analysis platform should **accelerate and strengthen its commercialization.** Khure leverages advanced technology, deep clinical analytics, machine learning, and AI to enable primary care physicians to rapidly screen and identify patients with rare diseases and facilitate more personalized treatment. Khure's platform has rapidly gained recognition as one of North America's broadest suite of rare disease screening tools and will be integrated into MCI's primary care footprint where it will enhance patient care and realize a strong market showcase. Khure's AI-enabled Clinical Intelligence platform can also be used as a tool for patient recruitment to clinical trials given its ability to integrate profiles across physician practices and hospital electronic medical record (EMR) networks to instantly identify high-quality patients for study enrollment. Khure is actively working with and/or has rare and specialty disease programs in development with top 10 Pharma and international disease associations, and will enhance MCI's ability to launch and participate in meaningful research initiatives to aid in the development of innovative treatment options.

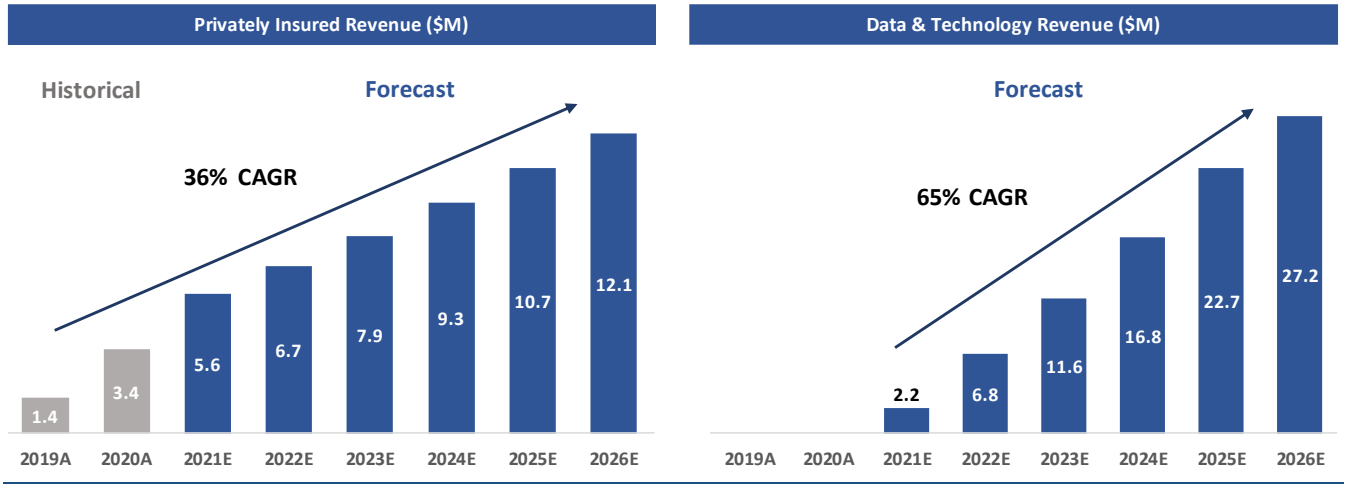
With its YTD 2021 revenues and bookings already exceeding 2020 revenues, annualized Q421 revenues should exceed $4.0M, while annualized L6M revenues at the second anniversary in 2023 are expected to exceed $6.5M based on earnout thresholds that collectively represent $6.5M of the potential $13.5M purchase. Gross profit margins are expected to be at 70-75% reflecting SaaS economics, while target EBITDA margins are put at 30%+. We recognize that realized EBITDA margins will vary depending on the level of growth investments – e.g., the potential $4M annualized run-rate revenues exiting 2021 while capable of supporting EBITDA of $1.5M+, are likely to be lower with growth investments.

Forecasts: We forecast 2021 revenue/gross profit/EBITDA at $46.4M/$17.1M/($1.2M) reflecting y/y growth of 20%/32%/NM. As we previously noted, our forecasts are modestly below the consensus at $49.4M/$19.0M/($0.9M), likely attributed to a more conservative outlook on the primary care clinics recovery in 2021, as COVID-19 lockdowns persist longer than expected. Our 2022 forecasts reflect building organic momentum with a strengthening of clinic traffic, and as continued growth and gaining scale in private care contributes 20% of revenue growth in 2022 against 66% for 2021. Our 2022 forecast revenue/gross profit/EBITDA at $57.5M/$23.2M/$1.6M reflect y/y growth of 24%/36%/NM while settling in line with the consensus at $58.2M/$23.6M/$1.2M.

Please refer to our **Forecasts** section for more detailed financials.

Private Care, Data Monetization Bring Torque: As we mentioned, MCI has a stable, cash flow-generating legacy business in the primary clinics network that can serve as a funding vehicle the Company invests in to scale its private care business and build out its brightOS platform ahead of its imminent commercialization. Our forecasts for the two businesses going out to 2026 see revenue CAGRs of 36% in Private Care (starting from the segment's first meaningful revenue in 2019 of $1.4M) and 65% in Data & Technology (see below). We note that within the Data & Technology revenue, Khure is expected to exit 2023 with L6M revenues exceeding the $6.5M threshold imbedded in its earnout provisions from its first year revenues in 2019 of ~$1.0M.

Exhibit 3 – Private Care and Data & Technology Revenue CAGRs



Source: MCI Onehealth financials, Echelon estimates

Organic Scenarios: We look for the strength of the existing portfolio to support our baseline organic revenue/gross profit CAGRs of 14%/22% over the next five years with our 2026 revenue/gross profit/EBITDA forecasts at $89.3M/$45.7M/$20.2M. We hold the potential for organic results to outperform our baseline with our bullish organic scenario supporting organic revenue/gross profit CAGRs of 17%/25% over the next five years where our 2026 revenue/gross profit/EBITDA forecasts would move to $101.2M/$51.7M/$23.9M.

Our baseline and bullish organic scenarios support one-year DCF valuations of $5.62 and $6.49, respectively.

Acquisition Scenarios: Our thesis calls for MCI Onehealth to successfully execute on-strategy, accretive acquisitions. We apply our baseline and bullish acquisition scenarios to our baseline operating scenario. Our two bands of acquisition scenarios reflect annual acquisition expenditures of $10M and $20M of enterprise value, where valuations average 2.8x EV/revenue and 5.6x EV/gross profit. **We see technology related acquisitions at an average of 5-6x revenues, balanced with brick and mortar acquisitions within a range of 1.0-1.5x revenues. The scale of MCI's clinic platform supports accretive economics about both forms of acquisitions. The Company would look for its revenue synergies (referral-based) to support pro forma technology valuations at roughly 50% of LTM deal multiples.**

Our baseline and bullish acquisition scenarios add $0.73 and $1.98 to our organic scenario DCFs at $6.35 and $7.60, respectively.

We expect recognition of MCI Onehealth's financial growth and commercialization of data analytics to lead to a positive revaluation. We believe the current peer discount is excessive. We look for accretive, TAM-expanding acquisitions to act as positive catalysts.

Valuation Perspectives: While execution is expected to support positive revaluation moves, we look for greater shareholder returns about the Company's successful commercialization of its data and upon accretive TAM-expanding, referral-capturing acquisitions leveraging its clinic platform. We look for MCI shares to narrow their relative discount, as a clear trendline towards our 2021 forecasts at $46.4M/$17.1M/($1.2M) emerge. MCI**'s current 2.9x/2.3x and 7.8x/5.7x 2021/22 EV/revenue and EV/gross profit valuations compare with medians of 5.1x/3.4x and 10.8x/5.9x 2021/22 EV/revenue and EV/gross profit for its seven Canadian peers (Exhibit 4).**

We also compared MCI to a group of 23 Global peers (24 in total, including MCI – a largely North American group, which includes the Canadian peers) and divided the group into two subgroups – a group of 15 companies with 2022 revenue growth exceeding 15% and a group of 9 companies with 2022 revenue growth less than 15% (Exhibit 5). We focused on 2022 figures to minimize inorganic growth. In this analysis, MCI's current 2.9x/2.3x and 7.8x/5.7x 2021/22 EV/revenue and EV/gross profit valuations, respectively, were heavily discounted to their high-growth Global peer averages of 9.7x/7.3x and 17.4x/12.6x 2021/22 EV/revenue and EV/gross profit. MCI's valuations also reflect a modest discount to the 9 low-growth Global peers, despite the fact that our 2022 revenue growth forecast for MCI sits 17 points higher than the low-growth average at ~7% (our 2022 forecast is ~24% revenue growth for MCI, while the consensus is ~18%). These lower-growth names, including legacy providers, were valued at 4.1x/3.8x and 7.6x/7.0x 2021/22 EV/revenues and gross profits, respectively. Interestingly, MCI's 2022 EV/revenue multiple ranks 22nd of the 24 names, despite its 2022 revenue growth estimate ranking 10th highest.

When conducting the same analysis with gross profit growth, we see the same trends. The group of 24 names were sorted with respect to 2022 gross profit growth and the same 15 and 9 names ended up slotting into their respective groups. **The only difference here is that MCI's disconnect is more pronounced, as we model its gross profit growth in 2022 at 36%, yet MCI sits at the same valuation discounts as above to their low-growth peers, despite that group's average gross profit growth sitting at just 8% in 2022, comparatively. Again, we find MCI's 2022 EV/gross profit multiple ranking 18th of the 24 names, despite its gross profit growth estimate ranking 6th highest.**

Our bullish outlook on MCI's higher-margin private health and data businesses provides building support for our positive revaluation thesis. With time, we see recognition of the evolving role of primary clinics as integrated patient hubs and their source of proprietary patient data and access support a significant, positive revaluation of "clinics/hubs".

Exhibit 4 – Canadian Digital Health Peers

Company	Ticker / Exchange	Price	Currency	EV ($M)	2021 CY Revenue Growth	2021 CY EV / Revenue	2021 CY Gross Margin	2021 CY EV / Gross profit	2021 CY G. Profit Growth	2021 CY EV / EBITDA	2022 CY Revenue Growth	2022 CY EV / Revenue	2022 CY Gross Margin	2022 CY EV / Gross profit	2022 CY G. Profit Growth	2022 CY EV / EBITDA
MCI Onehealth Technologies Inc.	*DRDR-TSX*	*$3.32*	*CAD*	*167.0*	*28%*	*3.4x*	*39%*	*8.8x*	*168%*	*NM*	*18%*	*2.9x*	*41%*	*7.1x*	*24%*	*142.9x*
	Echelon Estimates:			*132.3*	*20%*	*2.9x*	*37%*	*7.8x*	*32%*	*NM*	*24%*	*2.3x*	*40%*	*5.7x*	*36%*	*83.3x*
WELL Health Technologies Corp.	WELL-TSX	$7.71	CAD	1,200.8	339%	5.5x	47%	11.5x	393%	27.6x	45%	3.8x	48%	7.8x	48%	15.2x
CloudMD Software & Services Inc.	DOC-TSXV	$2.15	CAD	401.8	517%	4.4x	41%	10.8x	498%	131.4x	60%	2.8x	41%	6.8x	59%	34.4x
Skylight Health Group Inc.	SHG-TSXV	$1.25	CAD	226.3	233%	5.1x	69%	7.4x	231%	42.7x	31%	3.9x	69%	5.6x	32%	30.0x
Mindbeacon Holdings Inc.	MBCN-TSX	$7.88	CAD	121.5	98%	5.9x	50%	11.8x	116%	NM	79%	3.3x	56%	5.9x	102%	NM
kneat.com, inc.	KSI-TSXV	$3.15	CAD	218.4	73%	17.0x	49%	34.9x	117%	NM	69%	10.1x	56%	18.0x	94%	99.8x
Vitalhub Corp.	VHI-TSXV	$2.91	CAD	82.8	57%	3.8x	75%	5.1x	59%	21.3x	13%	3.4x	76%	4.4x	14%	14.8x
Think Research Corporation	THNK-TSXV	$3.65	CAD	169.0	107%	4.2x	62%	6.8x	108%	139.1x	25%	3.4x	64%	5.2x	30%	36.7x
Mean (ex. DRDR):				345.8	203%	6.6x	56%	12.6x	217%	72.4x	46%	4.4x	59%	7.7x	54%	38.5x
Median (ex. DRDR):				218.4	107%	5.1x	50%	10.8x	117%	42.7x	45%	3.4x	56%	5.9x	48%	32.2x
MCI Onehealth Technologies Inc.				*167.0*	*28%*	*3.4x*	*39%*	*8.8x*	*168%*	*NM*	*18%*	*2.9x*	*41%*	*7.1x*	*24%*	*142.9x*
	Echelon Estimates:			*132.3*	*20%*	*2.9x*	*37%*	*7.8x*	*32%*	*NM*	*24%*	*2.3x*	*40%*	*5.7x*	*36%*	*83.3x*

Source: S&P Capital IQ, Echelon estimates

We find the inclusion of Global peers to be particularly relevant where domestic peers WELL Health (WELL-TSX, $7.71, Speculative Buy, PT $12.00), CloudMD (DOC-TSXV, $2.15, Speculative Buy, PT $4.00), and Skylight Health (SHG-TSXV, $1.25, Speculative Buy, PT $2.35) are expected to list on the NASDAQ within the next six to twelve months.

Exhibit 5 – IT Global Digital Health Peers Sorted by 2022 Revenue Growth & Gross Profit Growth

	Number of Companies	EV ($M)	2021 CY Revenue Growth	2021 CY EV / Revenue	2021 CY Gross Margin	2021 CY EV / Gross profit	2021 CY G. Profit Growth	2021 CY EV / EBITDA	2022 CY Revenue Growth	2022 CY EV / Revenue	2022 CY Gross Margin	2022 CY EV / Gross profit	2022 CY G. Profit Growth	2022 CY EV / EBITDA
MCI Onehealth Technologies Inc.	*DRDR-TSX*	*167.0*	*28%*	*3.4x*	*39%*	*8.8x*	*168%*	*NM*	*18%*	*2.9x*	*41%*	*7.1x*	*24%*	*142.9x*
		132.3	*20%*	*2.9x*	*37%*	*7.8x*	*32%*	*NM*	*24%*	*2.3x*	*40%*	*5.7x*	*36%*	*83.3x*
2022 Revenue growth			**Averages**						**Averages**					
Greater than 15%	**15**	**5,710.9**	**109%**	**9.7x**	**55%**	**17.4x**	**126%**	**197.4x**	**37%**	**7.3x**	**57%**	**12.6x**	**42%**	**162.7x**
Less than 15%	9	16,550.4	13%	4.1x	60%	7.6x	11%	22.7x	7%	3.8x	61%	7.0x	8%	15.8x

Source: S&P Capital IQ, Echelon estimates

DCF Valuation Highlights: Our valuation analysis for MCI considers both relative valuation measures along with our DCF valuations. Our DCF analysis builds on our baseline and bullish organic scenarios. We then turn to our baseline organic scenario and layer on modest and bullish acquisition scenarios. We apply the various scenarios to better define return parameters where we expect acquisitions to be a significant factor in shareholder returns.

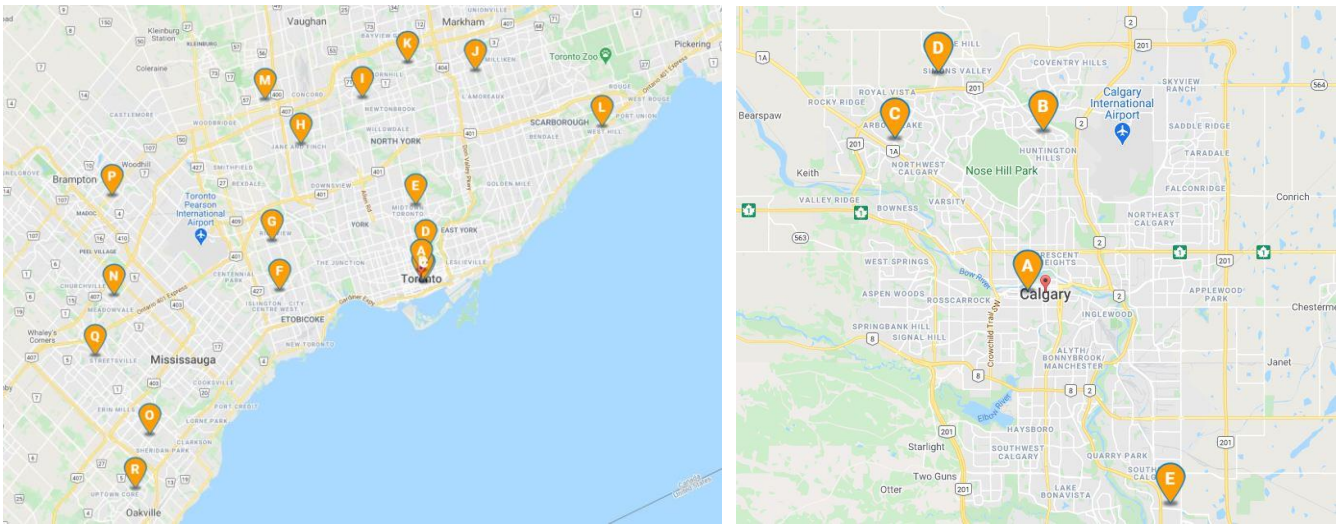
Our baseline organic DCF of $5.62 supports our $5.50 price target while our M&A scenarios derive incremental DCF accretion of $0.73 and $1.98 where acquisitions of $10M and $20M annually are added to our baseline and where our baseline 2021-2026 organic gross profit CAGR of 22% moves to 25% and 28%, respectively. *(Please see our full valuation analysis on pg. 26)*

Primary Care Clinics

Viewpoint: MCI Onehealth owns and operates one of the largest primary care clinic groups in Canada providing healthcare and healthcare related services to both patients and employees of its corporate customers. Canada's primary care market is highly fragmented, positioning MCI as one of the top three largest clinic operators (please refer to Appendix One for more depth on the Canadian primary care market). MCI services its patients through its network of 25 brick and mortar clinics (20 in Ontario, 5 in Alberta), which are clustered around the GTA and Calgary areas. MCI's clinics are staffed by approximately 300 licensed medical practitioners who service roughly 850K patient visits annually and represent ~2M patients, along with their accompanying medical records. We look for MCI to leverage the profile and scale of its patient base to expand its specialty, allied, and private care initiatives, while underpinning its data monetization. **Additionally, the clinic network presents an attractive asset for potential corporations looking to provide their employees health and concierge services, and perhaps more importantly, a huge incentive for data and technology companies to lower their asking price and welcome earnouts in any partnerships or mergers, as they envision significant revenue synergies with MCI's existing platform.**

While investors may currently focus on the impact of the Company's urban concentration leading to a greater 2020 COVID-19-induced decline in clinic visits (2020 volume down ~15% y/y), we see the strategy of urban clusters emerging as a significant point of strength. With ~54% of Canada's head offices located in the two focus areas, MCI Onehealth has seen its market profile and local accessibility as a key factor behind gaining contracts with over 300 corporate clients. The achievement is particularly impressive given that its efforts to date have focused on Toronto. Furthermore, its success with large clients suggests a land and expand strategy leading to continued growth. We look for MCI Onehealth to leverage its same strength in the Calgary market as it looks to pursue corporate health wins. **We see the Company's corporate health moves emerging as a land and expand strategy empowered by the branding and access of its urban clinics.**

Exhibit 6 – MCI's Urban Clinic Concentration (GTA & Calgary)



Source: MCI Onehealth, Google Maps

We believe MCI Onehealth's focused geographic regions and its scale represent significant advantages in creating regional brand recognition while driving efficiencies. **We look for MCI to acquire clinics focused on chronic, allied, mental wellness and specialty care where it can leverage its existing referral volumes to generate significant revenue synergies. Acquisitions are likely to reflect a mix of technology and physical assets with referral revenue potential being the common thread. The Company's scale clearly shifts acquisition economics in its favour. Where acquisitions are likely to include earnouts, the prospect of referral revenues is a key differentiating factor to vendors.**

Competitive Advantage: MCI relies on its more than 30 years of experience in efficiently managing healthcare clinic networks to deliver high quality healthcare. Additionally, the Company's health technology-driven growth plans are rooted in the experience of its senior leadership team in the areas of clinical practice, technology planning, funding and

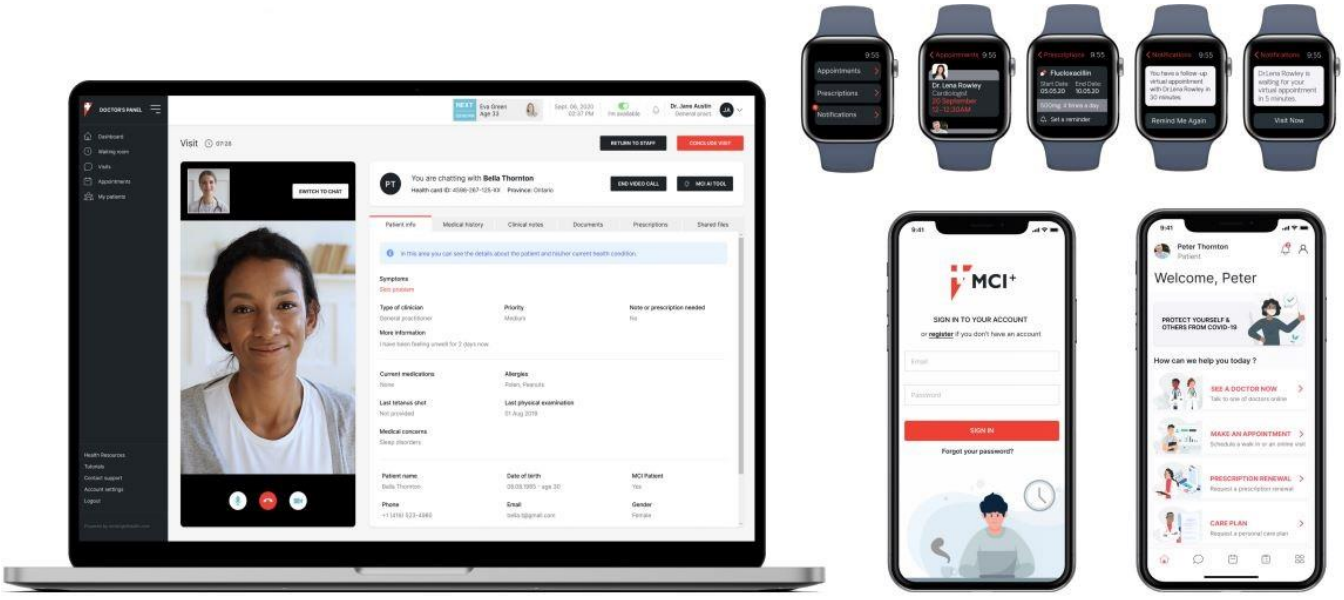
development along with deep experience executing mergers and acquisitions in dental and medical services. We further believe that competitors offering technology solutions in isolation, such as virtual care, face a significant disadvantage without the physical footprint to follow-up with patients in person. Non-integrated care providers are likely to face higher competitive intensity around periodic versus episodic care. We see MCI's large brick and mortar footprint as a critical competitive asset within the care ecosystem.

The Amazon Effect: Amazon's move to offer telehealth care is likely to have a significantly greater impact on non-integrated care providers, where the majority of care is episodic, or one-off in nature, as typically seen with walk-in traffic. Many believe Teladoc's move to acquire Livongo for $18.5B in August 2020 reflected its desire to move away from the greater vulnerability of one-off virtual care. Consequently, we do not see Amazon's entry as a significant threat.

Clinic Technology a Point of Emphasis: MCI's management have stated that their top area of focus is to continue modernizing the primary clinic network with the implementation of new technologies. MCI Onehealth's scale allowed it to dedicate the needed resources to develop its own virtual platform called **MCI Connect.** The platform was completed exiting 2019 and introduced for beta testing in Q120 prior to COVID-19. As seen across its peers, physician adoption of virtual care through MCI Connect was recalibrated during the pandemic, advancing usage in a few months that otherwise would have taken years. Physician usage of video versus telephone continues to evolve. All data is secured and stored in Canada in compliance with Patient Privacy Legislation (e.g., the Personal Information Protection and Electronic Documents Act, or PIPEDA) and MCI retains all patient records. Additionally, MCI's virtual care product offers the luxury of physician continuity, where patients can see a walk-in doctor, their family doctor, or a specialist through MCI Connect and then follow up in person with the same doctor. This is not a capability non-integrated care providers can match.

MCI Onehealth looks to introduce additional caregiver and patient access, as well as roll out new features throughout the year. One such feature will be the integration with smart devices and wearables where consumer usage and device capabilities have significantly advanced in recent years. MCI looks to capitalize on these market trends by having its app integrate with patient measurement devices such as personal monitors as well as smart watches. This will enable MCI to provide its patients with a more comprehensive virtual care offering while collecting richer data.

Exhibit 7 – MCI Connect



Source: MCI Onehealth

Another tech feature the Company is excited about and that is currently in development is its virtual assistant, the **MCI Onehealth Assistant**. The MCI Onehealth Assistant is a patient-facing virtual assistant to help physicians and patients conduct remote care screenings and triage on the next steps in the care pathway. The app is an AI-powered chatbot

that asks probing questions designed to help patients determine if they need to seek medical attention for any symptoms they may be experiencing. The app is expected to triage using proprietary insights gathered through the Company's extensive library of patient records. The MCI Onehealth Assistant is currently being beta tested by select physicians and patients and is expected to launch later in 2021.

Exhibit 8 – MCI Onehealth Assistant

Source: MCI Onehealth

Precision Medicine, Acorn Investment: MCI's commitment to introduce advanced care capabilities represents an extended path, where an advancing suite of technologies is ultimately leading to precision medicine. Precision medicine is an emerging approach for disease treatment and prevention that takes into account the variability of an individual's genes, environment, and lifestyle. The advance of medical devices, testing, and data analytics will allow MCI to develop personalized treatment and prevention strategies for specific diseases. Precision medicine contrasts the one-size-fits-all approach prevalent in primary care today. One example of a potential offering for MCI patients that the Company briefly spoke about in their late March 2020 fiscal year-end conference call, surrounded genome sequencing. MCI had announced in the accompanying 2020 press release that in Q121 the Company made a 250K investment in Acorn Biolabs, a Toronto-based genomic sequencing and live cell banking company. Acorn possesses a non-invasive genomic sequencing solution, where patients are able to have their hair follicles plucked to deliver all the genetic material required. The collection is then analysed in Acorn's lab, where they deliver a patient report confirming the viability of their cells. They can then store the cells using cryopreservation, ensuring the health and viability of the cells leaving the patient discretion over their use for any cell-based treatments in the future. MCI is hoping to layer on technologically advanced, premium offerings such as this, to their patient base in the coming years. Other recently announced moves (see Khure Health acquisition and ReGen partnership) could also serve to bolster MCI's in-clinic offerings.

Business Model: Physicians are paid under a fee-for-service (FFS) model where payouts average roughly 70%, or somewhat lower in denser urban areas. That being said, there is an expectation in the industry that with further use and penetration of telehealth, physician payouts will drift lower. Lower payouts can then be offset by the efficiency gains seen in telehealth, where physicians are able to drive higher hourly patient volumes (e.g., moving from ~6 physical patient visits per hour towards 8 using telehealth).

While Family Health Organization (FHO) models have been considered, they are not seen as an attractive conversion model. It is however, recognized that the FHO model carries advantages for greenfield start-ups, where initial losses are covered under government funding. We could see some culling of the portfolio as the long-run virtual/physical balance emerges. For example, depending on logistics and clinic utilization rates, there is the potential for certain pairs of clinics to combine as virtual care plays a larger role. This is a longer-run opportunity given the clustering of MCI's existing clinics where targeted consolidation could drive operating leverage and efficiencies while maintaining optimal care to its patient base.

We believe management will be very selective in acquiring primary clinics and will prioritize allied, mental health, and specialty segments, where referral capabilities shift economics in its favour. **While tuck-in acquisitions of family practices are likely to be accretive and offer efficiency opportunities, they would not provide the same level of referral-related revenue synergies. Consequently, we look for the Company to prioritize acquisitions that bring specific contributions to its higher margin, data commercialization and corporate health segment growth.**

We look for improving margins to evolve from existing operations, with efficiencies emerging from automation tools, increased use of nurse practitioners versus doctors, and continued telehealth penetration, allowing for additional care providers within the existing floorspace. **We look for longer-term margin gains with the introduction of concierge-style medicine and privately funded corporate health and benefits programs. MCI is expected to focus on the higher margin allied care services such as chiropractic care, physiotherapy, and dermatology.** Additionally, the Company currently subleases space for these types of services at seven locations; the sublease model could be expanded or the capabilities internalized.

Clinic Details: Billing rates in Alberta typically command a premium of ~$10-15 relative to Ontario where the average billing is roughly $45 (the mix of family practice billing is ~$5 higher than walk-in services). These subtle differences can explain much of the gross margin fluctuation from quarter to quarter in the segment.

The clinics generate roughly 90% of revenues from government reimbursement services and roughly 10% from specialty care. Family practice represents ~50% of visits in a normal year, while it jumped to near 60% during the 2020 pandemic.

The Company's virtual care platform, MCI Connect, was completed for the end of 2019 with alpha testing for the first two quarters of 2020. MCI Connect then moved to beta testing for Q320 and fuller deployment in Q420. We note that its development costs were relatively modest at roughly $1M to MCI, where it leveraged capabilities developed for its sister company, Altima Dental. The platform is an open API allowing full integration across EMRs and patient monitoring devices. New features are planned across 2021.

Unfortunately, the roll-out pacing of MCI Connect lagged the onset of the COVID-19 pandemic, resulting in Q220 and Q320 visits down roughly 50% and 20% y/y, respectively, before seeing improvement with Q420 levels down 15% y/y. We understand that Q121 levels are down less than Q420, so despite lockdowns continuing, we are seeing a volume recovery to baseline that we expect to persist throughout the remainder of 2021. We look for H221 volumes to approach H219 levels, as the potential for pent-up demand emerges in a post-pandemic environment. We think the walk-in traffic that took a bigger hit during COVID-19 is likely to lead the recovery.

The current virtual/physical visit mix is roughly 50/50, compared to entering 2020 at roughly 5/95. The Company expects the virtual mix to settle even higher at around 70/30, where even physical appointments may be prefaced by a virtual screening ahead of time. Currently, telephone sessions continue to represent the majority of virtual/telehealth at roughly 90% versus video, although the mix is shifting roughly 5-10% per month with broader physician adoption of MCI Connect.

We look for modest margin expansion as MCI introduces concierge services and allied care. We could see the existing portfolio of 25 clinics better optimized given the potential to integrate physicians into fewer clinics with the emergence of virtual care. Additionally, virtual visits would be more efficient than physical sessions and potentially more profitable for the physician, as they can see more patients per hour. Furthermore, increased virtual triaging, as well as building out a library of patient profiles on the app will add practical efficiencies.

Privately Insured Services

Perspective: The Canadian private healthcare market was pegged at ~53B in 2017 (Mordor Intelligence), while various sources have forecasted ~8-11% CAGRs over the next several years (please refer to our Appendix Two for more depth on the Canadian privately insured healthcare market). While a measure of the growth will be realized by an outsourcing of existing healthcare provisions to employees, we see the majority of growth to be driven by companies looking to introduce and expand their private healthcare as an employee benefit. **The accessibility, triaging, and referral limitations of the public health primary care market yield attractive employee paybacks. Employers are drawn to ROIs exceeding 3x, with contract paybacks within the first third of the term based on time-saving metrics.** Employers are also finding that private health plans are an effective recruitment and retention tool for their employees, in addition to the efficiency gains seen with time saving. **The majority of the Company's wins in private healthcare have been associated with need-to-have services, which are typically displacing internally provided care. We see the greater tailwind in enterprises adopting proactive, incremental employee healthcare capabilities.**

While private health sales contracts can be arranged directly between the care provider and enterprise, or through insurance or broker partnerships, MCI has gone directly to clients. Contracts are typically done on an RFP basis, where pricing and the service matrix are primary factors. Client proposals generally target mid-teen EBITDA margins, with implied utilizations at plus or minus 12%. Overall, EBITDA margins typically exceed 30% as usage expands beyond the base care parameters. The majority of contract revenues are recurring, while some are usage-based. Services are often provided by nurse practitioners therefore enabling significantly higher margins. MCI's use of contracted healthcare providers has allowed it to offer national programs such as vaccinations, immunization for travelling, and pre-employment medical checks.

Exhibit 9 – Corporate Health Services

Source: MCI Onehealth

Healthcare providers generally offer services using a mix of internal and contracted employees, with the provision of services at the employee campus, or the care provider's facilities. MCI's success to date has typically focused on relatively narrow service programs, leaving it significant upside where it leverages its initial success to a broader suite of services. Where client contracts represent need-to-have services, MCI's contracts typically replace internal provision by the client or displace a third-party provider. **Where contract wins are associated with clients introducing incremental employee benefits, contracts are often narrow in scope leaving MCI Onehealth the potential to land and expand the contract's suite of services.**

While the majority of services are provided at the client's facilities or virtually, MCI has the potential to capture additional revenue synergies where insured employees are referred to MCI Onehealth facilities.

Details: MCI Onehealth has expanded its private health services securing contracts with ~300 corporate customers, a significant number of which are Fortune 500 companies, with a recurring revenue run-rate at ~$5.6M in 2021. Private health revenues advanced from $1.4M in 2019 to $3.4M in 2020, gaining 140% y/y. While MCI has had initial success with large enterprises, the Company considers enterprises with 50-200 employees as a key focus given its direct sales model. At this point, contracts are relatively short-natured and more about delivering exceptional service levels to keep the business; MCI has not experienced any meaningful churn thus far.

Exhibit 10 – Corporate Customers

Source: MCI Onehealth, Company websites

Private health is heavily technology-focused, where apps are typically offered for triaging and to help build patient profiles. These automated capabilities represent a differentiated toolset for enterprises with minimal operating costs.

MCI estimates that clients realize a three to fourfold ROI based on time saved, with paybacks realized within the first year of introduction.

Exciting Partnership: On April 12, 2021, MCI announced a new partnership with innovation and personalized care leader, ReGen Scientific. ReGen's co-founder Dr. Robert Francis, founded Medcan Healthcare in 1987 and subsequently built it into one of the strongest premium healthcare brands in Canada, specializing in executive medical, corporate wellness, and concierge health services. We believe the strength of Dr. Robert Francis' track record, his experience in building out one of Canada's premier executive medical and corporate wellness platforms, along with his strong industry relationships, will significantly enhance MCI's ability to continue growing out the private care segment. We look for MCI Onehealth and ReGen to generate cross-referrals of patients while holding the potential for ReGen to become a data partner on MCI's brightOS platform (see the following section on Data Monetization and brightOS).

ReGen Scientific, is a Toronto based leader in personalized, preventative, and regenerative health. It looks to accelerate the progression from medical discovery to clinical deployment. ReGen delivers hyper-personalized care based on its Science of You, which enables individuals to take control of their health with an objective of not only extending years lived but the ability to live those years with vitality and health. The partnership will further expand MCI Onehealth's corporate health service offering and present the opportunity for an integrated client offering. Additionally, while terms and details of the partnership were not disclosed, given prior discussions with management on their partnership strategies, we hold potential for the relationship to lead toward a more meaningful investment by MCI down the road.

Data Monetization

MCI believes that the information generated by the volume of patients seen annually provides a foundation on which to build its data analytics platform. The Company is in the process of developing its **brightOS** visualization, analytics platform en route to leveraging its extensive patient records to help clinicians and data scientists visualize and develop de-identified, data-driven insights, ultimately helping to improve patient care. The platform leverages machine learning algorithms to better understand disease progression and provide real-time clinical decision support for improving diagnostics. brightOS is currently under development and only available for internal testing, with an expected launch within the next 6 months.

First Data-Driven Acquisition: On April 6, 2021, the Company announced that it had signed a share purchase agreement to acquire all of the issued and outstanding shares of Khure for up to $13.5M, based on certain revenue milestones being achieved through 2023. The upfront cash consideration is $0.5M, while $3.5M in MCI shares will go to Khure at the volume weighted-average price (VWAP) at time of closing. On the 12-month anniversary of the deal, another $3M in shares at the closing VWAP will go to Khure. Finally, the last $6.5M in shares to be paid is contingent on several revenue milestones along the way and if earned by Khure will be issued at the VWAP at that time – ideally at a much higher MCI share price than at the original closing VWAP price.

Khure Health: Khure is a private Canadian company that leverages advanced technology, deep clinical analytics, machine learning, and AI to enable primary care physicians to rapidly screen and identify patients with rare diseases and facilitate more personalized or "precision treatments". Khure's platform is one of North America's broadest suite of rare disease screening tools and will be integrated into MCI's primary care footprint, improving patient care while providing a valuable showcase for Khure.

Khure's AI-enabled Clinical Intelligence platform looks to revolutionize patient recruitment for clinical trials by integrating across physician practices and hospital EMR networks, to instantly identify high-quality patients for study enrollment. Khure is actively working with and/or has rare and specialty disease programs in development with top 10 global pharmaceutical companies and international disease associations. The relationships will in turn enhance MCI's ability to launch and participate in meaningful research initiatives to aid in the development of innovative treatment options.

The announced acquisition highlighted the Company's focus on data analytics. We note that MCI Onehealth's primary clinic scale enables it to shift acquisition economics of specialized providers referring patient flow through the acquired company. In the case of Khure, its global pharma and medical device clients will pay for the use of Khure's analytics across MCI's 25 clinics. We note that $6.5M of the acquisition purchase is contingent on meeting milestones across the next two years with MCI shares reflecting trading value upon issuance.

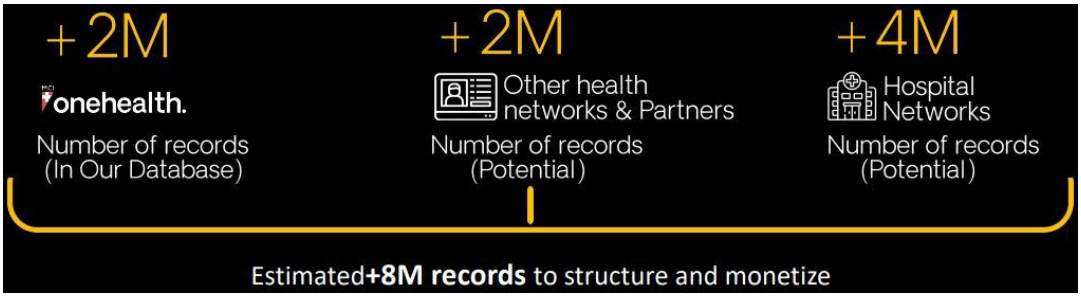
We believe the acquisition highlights and strengthens the prospects for MCI's brightOS data commercialization. Khure has existing relationships with the top 10 global pharma and medical equipment device manufacturers who would represent priority targets for the brightOS data and analysis platform. The structure of the acquisition – with between 93-96% in MCI shares – is a bullish reflection on Khure's view of MCI Onehealth's data prospects.

Khure's Growth: Khure's rapid growth enabled it to grow revenues 500% in 2020, and achieve positive adjusted EBITDA despite Khure only generating first revenue in 2019. Khure's year-to-date revenues have already surpassed 2020 levels, underpinning its continued high growth trajectory. MCI expects Khure to continue its rapid growth by expanding on its existing customer base, garnering new customer wins, and leveraging MCI's substantial patient and physician base. MCI expects the Khure acquisition to be accretive to adjusted EBITDA before synergies in the first full year of operations. We expect Khure to contribute ~$1.7M and $4.0M of revenues in 2021 and 2022, respectively. We attribute an ~3x EV/revenue multiple for 2021 on the portion that MCI paid upfront, whereas we envision that multiple moving down to ~2x EV/revenue if Khure hits its future revenue milestone.

Data Timeline

Next Six Months: We look for MCI Onehealth to announce partnerships with leading hospitals and research organizations where it looks to build its 2M patient records towards its goal of 8M.

Exhibit 11 – 8M of Potential Medical Records



Source: MCI Onehealth

We anticipate announced commercial pilot programs with global pharmaceutical companies and research organizations associated with the Company's primary database. Other potential buyers of MCI's extensive patient data include companies in sectors such as life science, medical devices, and technology and diagnostics.

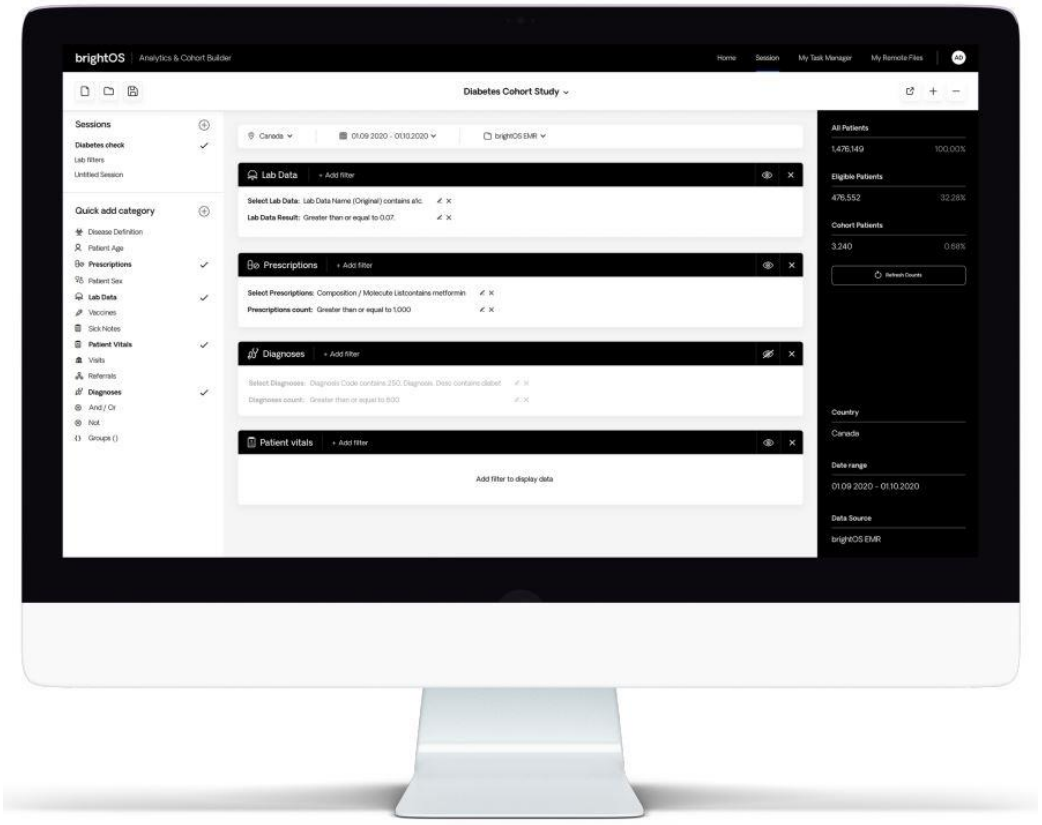
Six to Twelve Months:

- We expect initial commercial revenues. We reflect ~$0.5M within 2021 (not including Khure revenue), though we would not be shocked to see this development delayed into the beginning of 2022. Delays could be associated with larger contracts being announced.
- Our 2022 and 2023 forecasts reflect an aggressive ramping in data monetization revenues of ~$2.8M and $5.1M, respectively (not including Khure revenue). We note the Company holds the potential to exceed our forecasts. While gross margins are expected to exceed 70% and reflect SaaS economics, initial EBITDA contributions are expected to emerge after revenues have exceeded $3M. Furthermore, positive EBITDA contributions could be deferred in the pursuit of more aggressive revenue expectations.

Perspective: Unlike the internal application of its internally developed MCI Connect and MCI Onehealth Assistant services, the Company intends to commercially license its brightOS to third parties, where as noted, we look for contracts with global pharmaceutical and medical device companies, government agencies, healthcare networks, and academic and research organizations. We look for brightOS to form potential partnerships/alignments with international healthcare data platforms that could take various commercial forms.

We see the Company's moves to commercialize on its brightOS platform as potentially its most significant catalyst where its successful commercialization would be expected to support a significant positive recalibration of its forecasts and valuation. Furthermore, we believe that the successful commercialization of its data capabilities would support a positive rerating of its clinic platform value given its contribution of proprietary, primary data. Additionally, where the Company's data focus leads to a natural buildout of Clinical Research Organization (CRO) capabilities, we would view CRO wins as an additional forecast complement and positive platform revaluation catalyst. **Clinic patients take on greater value where the Company is able to profile and include relevant patients in CRO trials.**

Exhibit 12 – brightOS



Source: MCI Onehealth

The Company looks for longstanding C-suite discussions with other medical institutions and leading research and data organizations. MCI looks to form partnerships where it leverages its 2M+ patient records with the prospective integration with a further 2M patient records from other health networks and partners, as well as an additional 4M records with hospital networks, toward creating a database representing over 20% of the Canadian population – a level ensuring a premier status, both domestically and globally. **It is widely recognized that the cultural diversity of the Canadian population and the quality of its data are considered a high-water benchmark globally.**

Focusing on data commercialization, we look for select contracts to exceed minimum thresholds of $0.5M annually. We look for data partners to be announced entering the second half of 2021, with announcements of commercial beta trials exiting the year. The realization of commercial revenues from the platform is likely to occur exiting the year, though it could extend into the beginning of 2021. The Company explains that there are scenarios where it could realize accelerated commercial payments, but it may elect to defer commercialization for a later quarter for strategic considerations. While contracts are expected to involve upfront and recurring SaaS payment models, the Company believes it has the opportunity to partake in revenue from drug, treatment, and device development.

While it is natural to assume research will be applied for future applications, there is expected to be a significant market in the pharmaceutical space deriving efficacy and usage profiles on a retrospective basis, as findings are key to product validation. The depth of the database makes it particularly relevant for obtaining sufficient universes for rare diseases. The Company's efforts benefit from the high regard for Canadian patient data globally, where the demographic diversity of the population, the quality of healthcare, and billing information/patient profiling are highly regarded.

We understand the Company envisions a variety of end-users and applications for the brightOS platform; as such, contract terms will be specific to each relationship. For example, select contracts may be created on an access-based subscription model, whereas others may be associated with outcome-driven royalties. Primary users are expected to be governments, global pharmaceutical companies, universities, research organizations, and insurance companies. MCI

Onehealth will further assess the opportunity to become a CRO where its data capabilities, access to patients, and relationships with global pharmaceutical companies are significant assets.

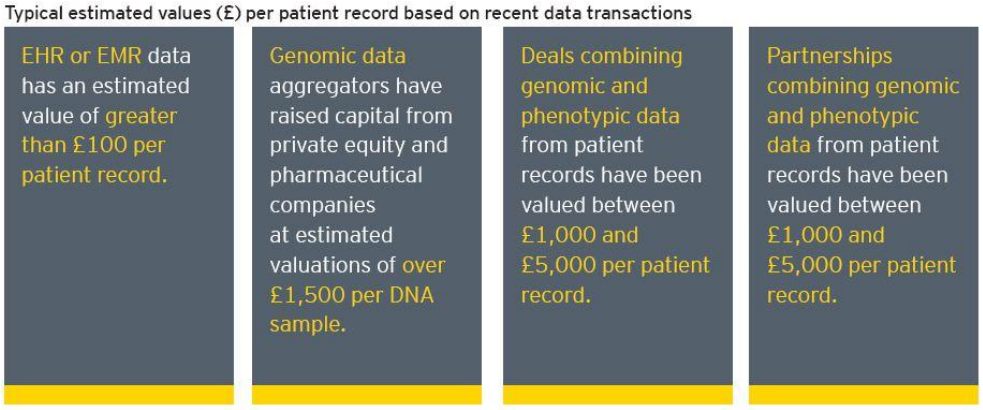
Valuing Data: We note that EY issued its benchmark report of the UK (NHS) dataset on estimating the value of healthcare data (refer to Appendix Four for more insight). The paper calculated precedent transaction median values of £42/record (British pounds), or $72/record in Canadian dollars, for primary care electronic health records (EHRs), and £54/record, or $93/record in Canadian dollars, for episodic health records. The study considered patient-level data that had been anonymized but was linked through longitudinal data, such as disease type, phenotype, patient demographics, and care setting. Below, we highlight the following excerpt from the study:

We estimate also that the value of the curated NHS data set could be as much as £5bn per annum and deliver around £4.6bn of benefit to patients per annum — generated through potential operational savings for the NHS, enhanced patient outcomes and creation of wider economic benefits to the UK, generated through 'big data', artificial intelligence and personalised medicine. The curated NHS data set is an intangible asset with a current valuation of several billion pounds and a realisation of £9.6bn per annum in benefits that could be unlocked following the generation of insights.

We note that MCI Onehealth would put itself at ~1M primary care EHRs, as well as ~1M episodic records suggesting a value of ~$165M of enterprise value for MCI's patient data alone, or ~$3.50 per MCI share outstanding.

In its review, the study considered per patient values based on precedent transactions that were considerably beyond its given ranges, especially when paired with genomic data (Exhibit 13). Importantly, EY suggests genomic data in isolation does not contain much value, which could infer potential future partnership opportunities between MCI and companies owning genomic data in order to unlock a significantly higher multiple on the Company's patient data.

Exhibit 13 – EY Report on Value of Healthcare



Source: Ernst & Young

The study highlighted the heavy burden of chronic diseases to the healthcare system. It then highlighted the potential savings from analytics and predictive models, weighing the contributing factors such as medical history, demographic or socioeconomic profiles, and comorbidities. The potential premium for chronic data could see the Company acquire clinics with a patient mix where it would derive related data.

The Company has also used external sources to help extract and monetize its data, having worked with the IBM (IBM-NYSE, NR) data science elite team and machine learning hub.

MCI's database efforts to date have focused on curating its 2M patient database where information has been extracted from clinic EMRs. The information must be de-identified and integrated into an analytics-friendly form that is capable of third-party data integration and manipulation.

Use Case Scenarios: A pharmaceutical company could engage MCI Onehealth to search its database and identify patients with profiles consistent with rare diseases. The profiles could identify patients for MCI Onehealth physicians to proactively

reach out for further testing. Where further testing is warranted, the physician would then refer the patient to a relevant specialist to potentially put the patient on a care plan that includes the appropriate pharmaceutical plan.

Government agencies represent another use case where they may look for information on current epidemiological trending or feedback with respect to vaccination programs. These insights would also be valued by academic institution research groups.

Internally, the platform is expected to use machine learning algorithms to understand disease progression, providing real-time clinical decision support for improving diagnostics.

Recent Partnerships: We already touched on and highlighted recent partnerships with both Acorn Biolabs and ReGen Scientific, but aside from the benefits that MCI's patients will gain within the primary care clinics and privately insured services, there are tremendous data monetization opportunities embedded, as well.

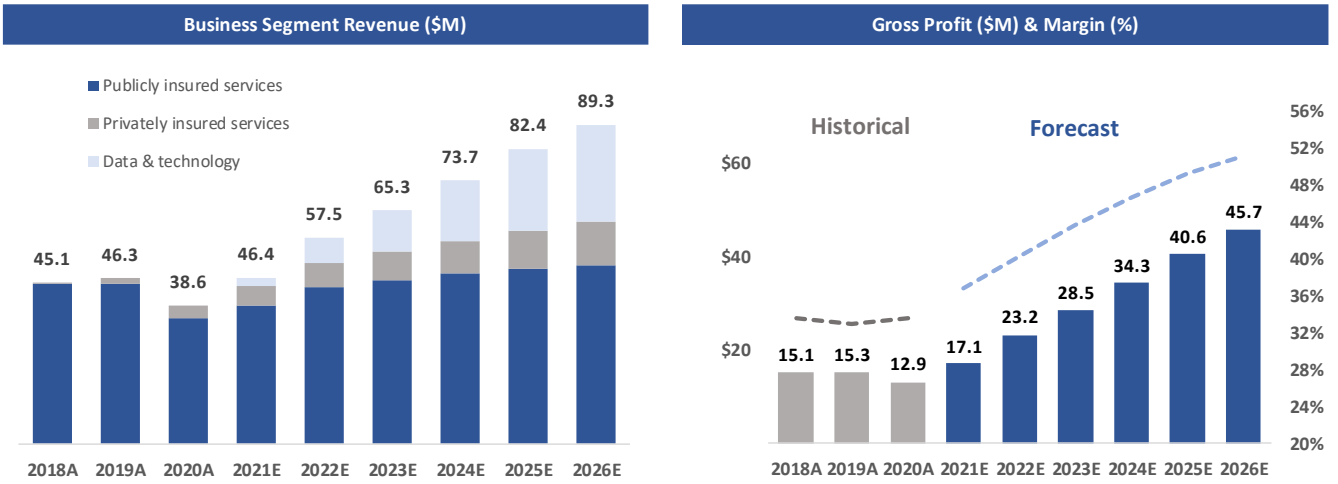
With the Acorn partnership, the genomic data that will be gathered and collected over time, will provide a significant boost to the value of MCI's patient data. MCI will be in a position to start building out their own biobank of genomic data, broadening its opportunity set. For context, as seen in Exhibit 13 above, combining genomic data to EHRs and EMRs, multiplies the value of that data by a factor of 10-50x. The reason this data is so valuable goes back to our comments on precision medicine; physicians will be able to tailor a therapeutic specific to an individual's type or mutation of cancer, for example. Another reason would be in the facilitation of CRO abilities, where MCI might look to build out and commercialize their own therapeutics outside of their network and potentially globally. While this is likely years away from being a meaningful contributor to MCI's business, they are clearly already beginning to lay down the foundation and groundwork for these future aspirations.

With the ReGen partnership, it allows MCI to partner with a company that is also offering very innovative, technologically advanced solutions. For example, ReGen provides specialty Brain MRI imaging in its downtown Toronto clinic, which is the first assessment service of its kind in Canada for early detection of degenerative brain diseases. This imaging helps to inform ReGen's medical team in developing personalized proactive strategies to maintain and/or restore brain health and cognitive performance to improve quality of life. The technology has been used in recent studies to assess and track the impact that COVID-19 may have on the brain. MCI has not released the detailed terms of the partnership, but given their recent emphasis on leveraging data, we believe there would be data sharing opportunities in the relationship, and possibly a future investment from MCI down the road.

Forecasts

We look for MCI's results this year to cement 2020 as a COVID-induced pause, and ultimately a transformational period, where the Company now enters a long-run, data- and technology-driven growth phase. MCI is leveraging its foundational primary care clinics' business to turn on multiple additional levers in privately insured healthcare and patient data monetization. These levers will help transition MCI from a sure-and-steady low-growth, low-margin, solid EBITDA-generating business, to a digitally advanced, higher-growth, higher-margin business that aims to help transform treatment options and patient outcomes. We again highlight our first exhibit upfront, as we believe it best represents the transformation of MCI's business over the next several years.

Exhibit 14 – Segmented Revenue Build-up and Gross Profit Expansion (Organic Base Case)



Source: MCI Onehealth financials, Echelon estimates

Below, we present the highlights of our baseline organic scenario with reference to the consensus forecasts.

Exhibit 15 – Base Case (Organic) Summary Estimates vs. Consensus

Fiscal year/quarter		2017A	2018A	2019A	2020A	Q121E	Q221E	Q321E	Q421E	2021E	2022E	2023E	2024E	2025E	2026E	5Y CAGR
In $000s except per share																
Revenue		**43,534**	**45,060**	**46,291**	**38,572**	**9,450**	**10,500**	**12,450**	**14,000**	**46,400**	**57,544**	**65,288**	**73,684**	**82,387**	**89,294**	**14.0%**
Growth %			*3.5%*	*2.7%*	*(16.7%)*	*(9.5%)*	*43.6%*	*26.6%*	*27.5%*	*20.3%*	*24.0%*	*13.5%*	*12.9%*	*11.8%*	*8.4%*	
	Consensus				**36,600**	**10,200**	**11,362**	**12,915**	**14,899**	**49,376**	**58,167**	**n/a**	**n/a**	**n/a**	**n/a**	
	Growth %				*(20.9%)*	*(2.3%)*	*55.4%*	*31.3%*	*35.7%*	*34.9%*	*17.8%*	*n/a*	*n/a*	*n/a*	*n/a*	
Incremental revenue			*1,526*	*1,231*	*(7,719)*	*(992)*	*3,189*	*2,614*	*3,017*	*7,828*	*11,144*	*7,744*	*8,396*	*8,703*	*6,907*	
Gross profit		**14,823**	**15,127**	**15,261**	**12,923**	**3,205**	**3,758**	**4,645**	**5,447**	**17,055**	**23,183**	**28,512**	**34,339**	**40,559**	**45,674**	**21.8%**
Gross profit margin		*34.0%*	*33.6%*	*33.0%*	*33.5%*	*33.9%*	*35.8%*	*37.3%*	*38.9%*	*36.8%*	*40.3%*	*43.7%*	*46.6%*	*49.2%*	*51.2%*	
	Consensus				**13,249**	**3,754**	**4,318**	**5,063**	**5,870**	**19,010**	**23,558**	**n/a**	**n/a**	**n/a**	**n/a**	
	Margin %				*36.2%*	*36.8%*	*38.0%*	*39.2%*	*39.4%*	*38.5%*	*40.5%*	*n/a*	*n/a*	*n/a*	*n/a*	
Gross profit flow through %			*19.9%*	*10.8%*	*n/a*	*n/a*	*40.5%*	*50.7%*	*60.8%*	*52.8%*	*55.0%*	*68.8%*	*69.4%*	*71.5%*	*74.1%*	
EBIT		**(3)**	**(210)**	**(29)**	**(1,339)**	**(2,087)**	**(1,001)**	**(936)**	**(689)**	**(4,713)**	**(1,813)**	**2,226**	**6,814**	**12,479**	**16,693**	**NM**
EBIT margin %		*(0.0%)*	*(0.5%)*	*(0.1%)*	*(3.5%)*	*(22.1%)*	*(9.5%)*	*(7.5%)*	*(4.9%)*	*(10.2%)*	*(3.2%)*	*3.4%*	*9.2%*	*15.1%*	*18.7%*	
Adjusted EBITDA		**3,505**	**3,472**	**3,774**	**2,204**	**(1,117)**	**(240)**	**(99)**	**250**	**(1,206)**	**1,588**	**5,369**	**10,052**	**15,866**	**20,245**	**NM**
Growth %			*(0.9%)*	*8.7%*	*(41.6%)*	*(173.3%)*	*(122.5%)*	*(106.9%)*	*NM*	*(154.7%)*	*NM*	*238.0%*	*87.2%*	*57.8%*	*27.6%*	
Adjusted EBITDA margin		*8.1%*	*7.7%*	*8.2%*	*5.7%*	*(11.8%)*	*(2.3%)*	*(0.8%)*	*1.8%*	*(2.6%)*	*2.8%*	*8.2%*	*13.6%*	*19.3%*	*22.7%*	
	Consensus				**3,700**	**(788)**	**(553)**	**12**	**398**	**(931)**	**1,169**	**n/a**	**n/a**	**n/a**	**n/a**	
	Growth %				*(2.0%)*	*(151.7%)*	*(151.8%)*	*(99.2%)*	*(121.9%)*	*(125.2%)*	*NM*	*n/a*	*n/a*	*n/a*	*n/a*	
	Margin				*10.1%*	*(7.7%)*	*(4.9%)*	*0.1%*	*2.7%*	*(1.9%)*	*2.0%*	*n/a*	*n/a*	*n/a*	*n/a*	
Adjusted EBITDA flow through %			*(2.2%)*	*24.5%*	*20.3%*	*266.2%*	*(41.0%)*	*(58.6%)*	*68.6%*	*(43.6%)*	*25.1%*	*48.8%*	*55.8%*	*66.8%*	*63.4%*	
Capex		382	192	122	85	26	29	35	39	130	161	183	206	231	250	
Intensity		*0.9%*	*0.4%*	*0.3%*	*0.2%*	*0.3%*	*0.3%*	*0.3%*	*0.3%*	*0.3%*	*0.3%*	*0.3%*	*0.3%*	*0.3%*	*0.3%*	
Net debt			(615)	(911)	(771)	(25,604)	(23,851)	(23,135)	(22,325)	(22,325)	(20,899)	(22,923)	(27,886)	(36,667)	(49,107)	
Cash			928	1,128	894	25,706	23,943	23,218	22,400	22,400	20,957	22,997	28,010	36,884	49,446	
EPS (FD)		**($0.00)**	**($0.01)**	**($0.00)**	**($0.03)**	**($0.04)**	**($0.02)**	**($0.02)**	**($0.01)**	**($0.10)**	**($0.04)**	**$0.03**	**$0.10**	**$0.19**	**$0.26**	**NM**
	Consensus				$0.01	($0.04)	($0.03)	($0.02)	($0.01)	($0.09)	($0.05)	n/a	n/a	n/a	n/a	
FCF		**2,851**	**3,469**	**3,091**	**4,138**	**(1,506)**	**(1,324)**	**(260)**	**(271)**	**(3,361)**	**402**	**3,917**	**6,953**	**10,905**	**14,716**	**NM**
FCFPS (FD)		**$0.07**	**$0.09**	**$0.08**	**$0.11**	**($0.03)**	**($0.03)**	**($0.01)**	**($0.01)**	**($0.07)**	**$0.01**	**$0.08**	**$0.15**	**$0.23**	**$0.31**	

Source: MCI Onehealth financials, Echelon estimates, S&P Capital IQ

Room for Outperformance: We see the potential for modest outperformance against our baseline forecasts where we note that we are conservatively below consensus. We then move toward our organic operating scenarios, where we tweak our assumptions for revenue growth and gross/operating margins to reflect both bullish and bearish scenarios.

Scenarios

Baseline: Our baseline scenario supports 2021-2026 revenue/gross profit/EBITDA CAGRs at 14%/22%/NM leaving our exit 2026 revenues/gross profit/EBITDA at $89.3M/$45.7M/$20.2M and gross profit/EBITDA margins at 51.2%/22.7%.

Bullish Organic: Our bullish organic scenario supports 2021-2026 revenue/gross profit/EBITDA CAGRs at 17%/25%/NM leaving our exit 2026 revenues/gross profit/EBITDA at $101.2M/$51.7M/$23.9M and gross profit/EBITDA margins at 51.1%/23.6%.

Bearish Organic: Our bearish organic scenario supports 2021-2026 revenue/gross profit/EBITDA CAGRs at 12%/18%/NM leaving our exit 2026 revenues/gross profit/EBITDA at $78.9M/$39.1M/$15.9M and gross profit/EBITDA margins at 49.6%/20.1%.

Exhibit 16 – Base/Bull/Bear Case (Organic) Estimates with CAGRs

BASE

Fiscal year/quarter	Q121E	Q221E	Q321E	Q421E	2021E	2022E	2023E	2024E	2025E	2026E	5Y CAGR
In $Ms except per share											
Revenue	9.5	10.5	12.5	14.0	46.4	57.5	65.3	73.7	82.4	89.3	14.0%
Growth %	*(9.5%)*	*43.6%*	*26.6%*	*27.5%*	*20.3%*	*24.0%*	*13.5%*	*12.9%*	*11.8%*	*8.4%*	
Gross profit	3.2	3.8	4.6	5.4	17.1	23.2	28.5	34.3	40.6	45.7	21.8%
Gross profit margin	*33.9%*	*35.8%*	*37.3%*	*38.9%*	*36.8%*	*40.3%*	*43.7%*	*46.6%*	*49.2%*	*51.2%*	
Adjusted EBITDA	(1.1)	(0.2)	(0.1)	0.3	(1.2)	1.6	5.4	10.1	15.9	20.2	NM
Growth %	*(173.3%)*	*(122.5%)*	*(106.9%)*	*NM*	*(154.7%)*	*NM*	*238.0%*	*87.2%*	*57.8%*	*27.6%*	
Adjusted EBITDA margin	*(11.8%)*	*(2.3%)*	*(0.8%)*	*1.8%*	*(2.6%)*	*2.8%*	*8.2%*	*13.6%*	*19.3%*	*22.7%*	
FCF	(1.5)	(1.3)	(0.3)	(0.3)	(3.4)	0.4	3.9	7.0	10.9	14.7	NM
FCFPS (FD)	($0.03)	($0.03)	($0.01)	($0.01)	($0.07)	$0.01	$0.08	$0.15	$0.23	$0.31	

BULL

Fiscal year/quarter	Q121E	Q221E	Q321E	Q421E	2021E	2022E	2023E	2024E	2025E	2026E	5Y CAGR
In $Ms except per share											
Revenue	9.6	10.7	12.6	14.2	47.1	59.3	68.6	79.2	90.8	101.2	16.5%
Growth %	*(8.3%)*	*45.7%*	*28.6%*	*29.7%*	*22.2%*	*25.9%*	*15.7%*	*15.4%*	*14.7%*	*11.4%*	
Gross profit	3.1	3.7	4.6	5.4	16.7	23.2	29.2	36.2	44.3	51.7	25.3%
Gross profit margin	*32.7%*	*34.6%*	*36.0%*	*37.6%*	*35.5%*	*39.0%*	*42.6%*	*45.7%*	*48.7%*	*51.1%*	
Adjusted EBITDA	(1.1)	(0.3)	(0.1)	0.1	(1.5)	1.5	5.6	10.9	17.9	23.9	NM
Growth %	*(174.9%)*	*(125.0%)*	*(109.4%)*	*NM*	*(167.1%)*	*NM*	*273.4%*	*95.7%*	*64.5%*	*33.0%*	
Adjusted EBITDA margin	*(11.9%)*	*(2.5%)*	*(1.1%)*	*0.4%*	*(3.1%)*	*2.5%*	*8.1%*	*13.8%*	*19.7%*	*23.6%*	
FCF	(1.4)	(1.4)	(0.3)	(0.5)	(3.5)	0.3	4.0	7.5	12.2	17.2	NM
FCFPS (FD)	($0.03)	($0.03)	($0.01)	($0.01)	($0.07)	$0.01	$0.08	$0.16	$0.26	$0.36	

BEAR

Fiscal year/quarter	Q121E	Q221E	Q321E	Q421E	2021E	2022E	2023E	2024E	2025E	2026E	5Y CAGR
In $Ms except per share											
Revenue	9.3	10.3	12.3	13.8	45.7	55.8	62.1	68.6	74.8	78.9	11.6%
Growth %	*(10.7%)*	*41.5%*	*24.6%*	*25.3%*	*18.4%*	*22.1%*	*11.3%*	*10.4%*	*9.1%*	*5.5%*	
Gross profit	3.2	3.8	4.7	5.5	17.2	22.8	27.3	31.8	36.2	39.1	17.9%
Gross profit margin	*34.8%*	*36.7%*	*38.2%*	*39.8%*	*37.7%*	*40.9%*	*43.9%*	*46.4%*	*48.4%*	*49.6%*	
Adjusted EBITDA	(1.1)	(0.2)	(0.1)	0.4	(1.1)	1.3	4.6	8.5	13.0	15.9	NM
Growth %	*(173.2%)*	*(123.0%)*	*(107.6%)*	*NM*	*(150.0%)*	*NM*	*244.9%*	*82.9%*	*53.0%*	*22.1%*	
Adjusted EBITDA margin	*(12.0%)*	*(2.4%)*	*(0.9%)*	*2.7%*	*(2.4%)*	*2.4%*	*7.5%*	*12.4%*	*17.4%*	*20.1%*	
FCF	(1.6)	(1.3)	(0.3)	(0.1)	(3.4)	0.2	3.4	5.9	9.0	11.7	NM
FCFPS (FD)	($0.04)	($0.03)	($0.01)	($0.00)	($0.07)	$0.00	$0.07	$0.12	$0.19	$0.25	

Source: Echelon estimates

Exhibit 17 – Income Statement

Fiscal year/quarter	2017A	2018A	2019A	2020A	Q121E	Q221E	Q321E	Q421E	2021E	2022E	2023E	2024E	2025E	2026E
In $000s														
Revenue														
Healthcare Services	43,534	45,060	46,291	38,572	9,450	10,300	11,750	12,700	44,200	50,724	53,694	56,872	59,692	62,059
Data & Technology	0	0	0	0	0	200	700	1,300	2,200	6,820	11,594	16,811	22,695	27,234
Total Revenue	**43,534**	**45,060**	**46,291**	**38,572**	**9,450**	**10,500**	**12,450**	**14,000**	**46,400**	**57,544**	**65,288**	**73,684**	**82,387**	**89,294**
Physician fees	(28,711)	(29,932)	(31,030)	(25,649)	(6,246)	(6,692)	(7,630)	(8,228)	(28,796)	(32,711)	(34,136)	(35,649)	(37,208)	(38,306)
Cost of Data & Technology sold	0	0	0	0	0	(50)	(175)	(325)	(550)	(1,650)	(2,640)	(3,696)	(4,620)	(5,313)
Gross profit	**14,823**	**15,127**	**15,261**	**12,923**	**3,205**	**3,758**	**4,645**	**5,447**	**17,055**	**23,183**	**28,512**	**34,339**	**40,559**	**45,674**
Operating expenses:														
Salaries, wages and benefits	(7,875)	(8,198)	(8,180)	(5,828)	(2,741)	(3,045)	(3,611)	(3,920)	(13,316)	(16,112)	(16,975)	(16,947)	(16,477)	(16,073)
Occupancy costs	(3,020)	(3,052)	(3,168)	(2,373)	(756)	(735)	(872)	(980)	(3,343)	(4,028)	(4,570)	(5,158)	(5,767)	(6,251)
Depreciation and amortization	(3,006)	(3,146)	(3,120)	(2,955)	(497)	(551)	(650)	(730)	(2,428)	(2,251)	(2,163)	(2,133)	(2,151)	(2,212)
Office expenses	(2,206)	(2,201)	(2,178)	(4,253)	(662)	(630)	(747)	(840)	(2,879)	(3,453)	(3,591)	(4,053)	(4,119)	(4,465)
Finance costs	(674)	(691)	(666)	(607)	(473)	(210)	(187)	(210)	(1,079)	(1,151)	(979)	(1,105)	(1,236)	(1,339)
Expected credit losses	(250)	(299)	(313)	(202)	(142)	(105)	(125)	(140)	(511)	(575)	(653)	(737)	(824)	(893)
Total operating expenses	(17,030)	(17,588)	(17,625)	(16,217)	(5,269)	(5,276)	(6,191)	(6,820)	(23,555)	(27,570)	(28,931)	(30,132)	(30,575)	(31,233)
Operating profit (loss)	**(2,207)**	**(2,461)**	**(2,364)**	**(3,294)**	**(2,065)**	**(1,518)**	**(1,546)**	**(1,373)**	**(6,501)**	**(4,387)**	**(420)**	**4,207**	**9,984**	**14,442**
Other income	2,123	2,160	2,276	1,872	454	504	598	672	2,227	2,532	2,612	2,579	2,472	2,232
Interest income on subleases	82	79	76	64	13	13	12	11	50	42	35	28	23	19
Gain on sublease contracts	0	11	0	19	0	0	0	0	0	0	0	0	0	0
Gain (loss) on disposal of property and equipment	()	1	(17)	0	0	0	0	0	0	0	0	0	0	0
Total other income (expenses)	2,204	2,251	2,335	1,955	(22)	517	610	683	1,788	2,574	2,646	2,607	2,495	2,252
Income (loss) before taxes	**(3)**	**(210)**	**(29)**	**(1,339)**	**(2,087)**	**(1,001)**	**(936)**	**(689)**	**(4,713)**	**(1,813)**	**2,226**	**6,814**	**12,479**	**16,693**
Income taxes	0	0	0	(121)	0	0	0	0	0	0	(583)	(1,785)	(3,270)	(4,374)
Deferred tax expense	(4)	(32)	(92)	433	0	0	0	0	0	0	0	0	0	0
Interest expense on line of credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income (loss) and comprehensive income (loss)	**(7)**	**(242)**	**(121)**	**(1,027)**	**(2,087)**	**(1,001)**	**(936)**	**(689)**	**(4,713)**	**(1,813)**	**1,643**	**5,029**	**9,210**	**12,320**
Attributed to:														
Shareholders of MCI Onehealth Technologies	(3)	(229)	(120)	(1,029)	(2,066)	(991)	(927)	(682)	(4,666)	(1,795)	1,627	4,978	9,118	12,196
Non-controlling interests	(4)	(13)	()	2	(21)	(10)	(9)	(7)	(47)	(18)	16	50	92	123
Basic weighted avg. common shares outstanding	40,000	40,000	38,005	38,333	46,000	47,029	47,029	47,029	46,772	47,654	47,654	47,654	47,654	47,654
Additional diluted common shares outstanding	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fully diluted weighted avg. common shares outstanding	40,000	40,000	38,005	38,333	46,000	47,029	47,029	47,029	46,772	47,654	47,654	47,654	47,654	47,654
Basic net income (loss) per share	**($0.00)**	**($0.01)**	**($0.00)**	**($0.03)**	**($0.04)**	**($0.02)**	**($0.02)**	**($0.01)**	**($0.10)**	**($0.04)**	**$0.03**	**$0.10**	**$0.19**	**$0.26**
Diluted net income (loss) per share	**($0.00)**	**($0.01)**	**($0.00)**	**($0.03)**	**($0.04)**	**($0.02)**	**($0.02)**	**($0.01)**	**($0.10)**	**($0.04)**	**$0.03**	**$0.10**	**$0.19**	**$0.26**
Free Cash Flow per share	**$0.07**	**$0.09**	**$0.08**	**$0.11**	**($0.03)**	**($0.03)**	**($0.01)**	**($0.01)**	**($0.07)**	**$0.01**	**$0.08**	**$0.15**	**$0.23**	**$0.31**
EBITDA Reconciliation														
EBIT	(3)	(210)	(29)	(1,339)	(2,087)	(1,001)	(936)	(689)	(4,713)	(1,813)	2,226	6,814	12,479	16,693
Depreciation and amortization	3,006	3,146	3,120	2,955	497	551	650	730	2,428	2,251	2,163	2,133	2,151	2,212
EBITDA	**3,003**	**2,937**	**3,092**	**1,616**	**(1,590)**	**(450)**	**(286)**	**40**	**(2,285)**	**437**	**4,390**	**8,946**	**14,630**	**18,906**
Finance charges	502	548	666	607	473	210	187	210	1,079	1,151	979	1,105	1,236	1,339
Loss on disposal of property and equipment		(1)	17	0	0	0	0	0	0	0	0	0	0	0
Less: Gain on sublease contracts	0	(11)	0	(19)	0	0	0	0	0	0	0	0	0	0
Adjusted EBITDA	**3,505**	**3,472**	**3,774**	**2,204**	**(1,117)**	**(240)**	**(99)**	**250**	**(1,206)**	**1,588**	**5,369**	**10,052**	**15,866**	**20,245**

Source: MCI Onehealth financials, Echelon estimates

Exhibit 18 – Balance Sheet

Fiscal year/quarter	2018A	2019A	2020A	Q121E	Q221E	Q321E	Q421E	2021E	2022E	2023E	2024E	2025E	2026E
In $000s													
Assets													
Current assets													
Cash	928	1,128	894	25,706	23,943	23,218	22,400	22,400	20,957	22,997	28,010	36,884	49,446
Accounts receivable	3,101	2,622	3,637	3,323	3,551	4,057	4,266	4,266	4,328	4,848	5,167	5,706	6,071
Net investment in subleases	372	392	381	303	288	273	258	258	259	212	174	143	117
Current portion of other assets	38	39	866	236	184	134	81	81	49	55	62	70	75
Total current assets	**4,438**	**4,182**	**5,778**	**29,568**	**27,965**	**27,682**	**27,005**	**27,005**	**25,592**	**28,112**	**33,414**	**42,802**	**55,710**
Net investment in subleases	2,150	1,758	1,304	1,294	1,227	1,163	1,102	1,102	859	705	579	475	390
Property, plant and equipment	17,555	15,830	13,572	13,370	13,145	12,879	12,579	12,579	12,095	11,929	12,045	12,401	12,901
Intangible assets	335	282	640	877	4,864	4,851	4,838	4,838	7,786	7,734	7,682	7,630	7,578
Deferred tax asset	471	380	813	813	813	813	813	813	813	813	813	813	813
Other assets	291	257	251	236	263	299	322	322	374	424	479	536	580
Total assets	**25,241**	**22,689**	**22,358**	**46,158**	**48,276**	**47,686**	**46,660**	**46,660**	**47,519**	**49,718**	**55,012**	**64,656**	**77,973**
Liabilities and shareholders' equity													
Current liabilities													
Accounts payable and accrued liabilities	4,089	3,228	6,998	6,315	6,075	6,532	6,322	6,322	6,119	6,549	6,450	6,303	6,573
Current portion of promissory note	96	96	0	0	0	0	0	0	0	0	0	0	0
Due to related party	1,563	1,253	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210
Current portion of lease liability	2,402	2,537	2,535	2,192	2,170	2,152	2,132	2,132	2,112	2,132	2,190	2,283	2,399
Total current liabilities	**8,150**	**7,114**	**10,743**	**9,717**	**9,455**	**9,894**	**9,663**	**9,663**	**9,441**	**9,891**	**9,850**	**9,796**	**10,182**
Bank line of credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Promissory note	96	0	0	0	0	0	0	0	0	0	0	0	0
Non-current portion of lease liability	14,613	13,313	11,298	11,509	11,390	11,297	11,191	11,191	11,086	11,192	11,498	11,986	12,597
Other liabilities	0	0	80	80	80	80	80	80	80	80	80	80	80
Total liabilities	**22,858**	**20,427**	**22,121**	**21,307**	**20,926**	**21,272**	**20,935**	**20,935**	**20,607**	**21,163**	**21,428**	**21,863**	**22,860**
Shareholders' equity													
Share capital	.200	.200	1,011	27,711	31,211	31,211	31,211	31,211	34,211	34,211	34,211	34,211	34,211
Retained earnings (deficit)	2,261	2,141	(897)	(2,962)	(3,953)	(4,880)	(5,562)	(5,562)	(7,357)	(5,731)	(752)	8,365	20,562
Equity attributable to MCI Onehealth Technologies	**2,261**	**2,141**	**115**	**24,749**	**27,258**	**26,332**	**25,649**	**25,649**	**26,854**	**28,481**	**33,459**	**42,577**	**54,773**
Non-controlling interests	121	121	123	102	92	83	76	76	58	74	124	216	340
Total shareholders' equity	**2,382**	**2,262**	**237**	**24,851**	**27,350**	**26,414**	**25,725**	**25,725**	**26,912**	**28,555**	**33,584**	**42,793**	**55,113**
Total liabilities and shareholders' equity	**25,241**	**22,689**	**22,359**	**46,158**	**48,276**	**47,686**	**46,660**	**46,660**	**47,519**	**49,718**	**55,012**	**64,656**	**77,973**
Total debt (including leases)	17,207	15,947	13,833	13,701	13,560	13,449	13,322	13,322	13,197	13,324	13,688	14,270	14,997
Total debt (excluding leases)	**192**	**96**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net debt (including leases)	16,400	14,939	13,062	(11,902)	(10,291)	(9,686)	(9,002)	(9,002)	(7,702)	(9,599)	(14,198)	(22,397)	(34,110)
Net debt (excluding leases)	**(615)**	**(911)**	**(771)**	**(25,604)**	**(23,851)**	**(23,135)**	**(22,325)**	**(22,325)**	**(20,899)**	**(22,923)**	**(27,886)**	**(36,667)**	**(49,107)**

Source: MCI Onehealth financials, Echelon estimates

Exhibit 19 – Cash Flow Statement

Fiscal year/quarter	2017A	2018A	2019A	2020A	Q121E	Q221E	Q321E	Q421E	2021E	2022E	2023E	2024E	2025E	2026E
In $000s														
Operating activities														
Net income (loss) and comprehensive income (loss)	(7)	(242)	(121)	(1,027)	(2,087)	(1,001)	(936)	(689)	(4,713)	(1,813)	1,643	5,029	9,210	12,320
Items not affecting cash														
Depreciation and amortization	3,006	3,146	3,120	2,955	497	551	650	730	2,428	2,251	2,163	2,133	2,151	2,212
Deferred tax expense	4	32	92	(433)	0	0	0	0	0	0	0	0	0	0
Non-cash interest accreted income	(82)	(79)	(76)	(64)	(13)	(13)	(12)	(11)	(50)	(42)	(35)	(28)	(23)	(19)
Non-cash interest accreted expense	502	565	532	497	97	110	108	128	443	453	475	506	548	599
Rent concessions	0	0	0	(371)	0	0	0	0	0	0	0	0	0	0
Expected credit losses	250	299	313	202	142	105	125	140	511	575	653	737	824	893
Gain on sublease contracts	0	(11)	0	(19)	0	0	0	0	0	0	0	0	0	0
(Gain) loss on disposal of property and equipment		(1)	17	0	0	0	0	0	0	0	0	0	0	0
	3,673	3,709	3,877	2,491	(1,365)	(248)	(65)	297	(1,381)	1,424	4,900	8,376	12,709	16,005
Net change in non-cash working capital	(164)	(48)	(664)	1,731	135	(546)	(161)	(529)	(1,100)	(860)	(800)	(1,217)	(1,573)	(1,039)
Cash provided by (used in) operating activities	**3,509**	**3,661**	**3,213**	**4,222**	**(1,229)**	**(795)**	**(225)**	**(232)**	**(2,481)**	**563**	**4,100**	**7,159**	**11,136**	**14,966**
Investing activites														
Purchase of property and equipment	(382)	(192)	(122)	(85)	(26)	(29)	(35)	(39)	(130)	(161)	(183)	(206)	(231)	(250)
Proceeds from sale of property and equipment	61	1	0	0	0	0	0	0	0	0	0	0	0	0
Business acquisition	(276)	0	0	0	(250)	(4,000)	0	0	(4,250)	(3,000)	0	0	0	0
Cash provided by (used in) investing activities	**(596)**	**(191)**	**(122)**	**(234)**	**(276)**	**(4,029)**	**(35)**	**(39)**	**(4,380)**	**(3,161)**	**(183)**	**(206)**	**(231)**	**(250)**
Financing activities														
Advances to related parties	(72)	(765)	(310)	(43)	0	0	0	0	0	0	0	0	0	0
Payment of promissory note	0	(100)	(100)	(100)	0	0	0	0	0	0	0	0	0	0
Proceeds from CEBA loans	0	0	0	80	0	0	0	0	0	0	0	0	0	0
Advances from bank line of credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of bank line of credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from issuance of common shares	0	0	0	0	26,700	3,500	0	0	30,200	3,000	0	0	0	0
Dividends paid	0	0	0	(2,009)	0	0	0	0	0	0	0	0	0	0
Lease payments	(2,753)	(2,883)	(2,930)	(2,606)	(484)	(534)	(556)	(632)	(2,207)	(2,132)	(2,112)	(2,132)	(2,190)	(2,283)
Lease payments received	418	419	449	456	101	96	91	86	374	286	235	193	158	130
Cash provided by (used in) financing activities	**(2,407)**	**(3,328)**	**(2,891)**	**(4,222)**	**26,317**	**3,061**	**(465)**	**(546)**	**28,367**	**1,154**	**(1,877)**	**(1,939)**	**(2,032)**	**(2,153)**
Change in cash	**506**	**142**	**200**	**(234)**	**24,811**	**(1,763)**	**(725)**	**(817)**	**21,506**	**(1,444)**	**2,040**	**5,013**	**8,873**	**12,563**
Cash, beginning of period	280	786	928	1,128	894	25,706	23,943	23,218	894	22,400	20,957	22,997	28,010	36,884
Cash, end of period	**786**	**928**	**1,128**	**894**	**25,706**	**23,943**	**23,218**	**22,400**	**22,400**	**20,957**	**22,997**	**28,010**	**36,884**	**49,446**

Source: MCI Onehealth financials, Echelon estimates

Valuation

DCF Valuations: We turn to DCF valuations to derive a measure of absolute valuation support and as a reflection of imbedded expectations. Upfront, we recognize the dangers of relying on DCFs, where they depend on the accuracy of forecasts and terminal values that are likely to exceed 70% of the weight (influence) of our DCF valuation. Given the challenge of forecasting organic growth and allowing for prospective acquisitions, we turn to scenario analysis to put forth a framework of valuation parameters. Our baseline DCF of $5.62 reflects on our baseline organic growth. We then present a more bullish stance towards the organic growth scenario to reflect upside associated with execution outperformance (as highlighted above in our Forecasts section). Our bullish organic scenario moves our baseline organic DCF ahead by $0.87 to $6.49. We then turn to our bearish organic scenario where we derive a DCF of $4.53 that still reflects aggressive upside.

We then use our baseline organic scenario and layer on our base and bullish acquisition scenarios where we see acquisitions adding $0.73 and $1.98 to our baseline organic DCF.

We note that our central exit EV/EBITDA multiple of 16.5x equates to an implied perpetual growth figure of 5.4% with a one-point EV/EBITDA move equating to a delta of between 0.2-0.3% in perpetual growth. We note that our 16.5x EV/EBITDA multiple would also equate to 7.3x EV/gross profit while finding support in an implied FCF yield of ~5.5%. We note that we use terminal EV/EBITDA multiples of 20.0x, 18.0x, and 17.5x for our DCFs with WELL Health, CloudMD, and Think Research (THNK-TSXV, $3.65, Speculative Buy, PT $6.00), respectively.

Exhibit 20 – Base/Bull/Bear Case (Organic) DCF One-Year Target Prices

BASE

Exit EBITDA multiple \ Discount rate	12.0%	11.0%	10.0%	9.0%	8.0%
14.5x	$4.71	$4.88	$5.07	$5.26	$5.46
15.5x	$4.96	$5.15	$5.34	$5.55	$5.76
16.5x	$5.22	$5.41	$5.62	$5.84	$6.06
17.5x	$5.47	$5.68	$5.89	$6.12	$6.37
18.5x	$5.72	$5.94	$6.17	$6.41	$6.67

BULL

Exit EBITDA multiple \ Discount rate	12.0%	11.0%	10.0%	9.0%	8.0%
14.5x	$5.42	$5.63	$5.84	$6.07	$6.31
15.5x	$5.72	$5.94	$6.17	$6.41	$6.66
16.5x	$6.02	$6.25	$6.49	$6.75	$7.02
17.5x	$6.32	$6.56	$6.82	$7.09	$7.37
18.5x	$6.62	$6.87	$7.14	$7.43	$7.73

BEAR

Exit EBITDA multiple \ Discount rate	12.0%	11.0%	10.0%	9.0%	8.0%
14.5x	$3.82	$3.95	$4.10	$4.25	$4.41
15.5x	$4.02	$4.16	$4.32	$4.48	$4.65
16.5x	$4.22	$4.37	$4.53	$4.70	$4.88
17.5x	$4.41	$4.58	$4.75	$4.93	$5.12
18.5x	$4.61	$4.78	$4.97	$5.16	$5.36

Source: Echelon estimates

Merger/Acquisition Assumptions: We take our baseline organic scenario and layer on acquisitions with our base and bullish M&A scenarios allowing for annual outlays of $10M and $20M, respectively, in enterprise value. Valuations reflect an average of 2.8x EV/revenue multiples and 5.6x EV/gross profit (assuming 50% gross margins). **We look for technology acquisitions to be completed at roughly 5-7x revenues while traditional clinic acquisitions generally fall within the 1.0-1.5x revenue range. As noted, MCI would expect referral revenues to reduce pro forma technology valuations by 50% against LTM parameters. Traditional clinic acquisitions focused on specialty or allied care would also see pro forma valuations significantly reduced given cross-referral synergies.** While acquisitions will clearly vary by size, mix, and valuations, we look to our valuation parameters (below) to frame the perspective looking forward, where clinic acquisitions will bring lower valuations relative to technology-related investment. Our M&A scenarios assume 70% of acquisition outlays go toward technology versus 30% to clinics. We assume a 7.0x/1.2x EV/revenue multiple for technology against clinics, which delivers a consolidated ~2.8x EV/revenue multiple. We further assume a 75% and 40% gross margin profile for technology targets versus clinics, respectively, as specialty and allied care clinic

targets are likely to carry higher-than-traditional clinic gross margins; this yields a blended gross margin assumption of 50%.

Our base M&A scenario assumes acquisitions are paid for in equity at 90% in 2021 declining to 65% in 2026, while our bullish M&A scenario starts the mix at 85% moving down to 60%, where debt or vendor notes are factored into the equation. We note that our equity allowance factors in vendors taking shares and MCI raising public equity to cover a measure of the cash component.

Exhibit 21 – Summary of M&A Key Assumptions (Base/Bull)

FY	2021E	2022E	2023E	2024E	2025E	2026E
In $Ms						
EV acquired						
Base M&A	$10.0	$10.0	$10.0	$10.0	$10.0	$10.0
Bull M&A	$20.0	$20.0	$20.0	$20.0	$20.0	$20.0
% stock used						
Base M&A	90.0%	85.0%	80.0%	75.0%	70.0%	65.0%
Bull M&A	85.0%	80.0%	75.0%	70.0%	65.0%	60.0%
EV/Sales of targets						
Base M&A	2.8x	2.8x	2.8x	2.8x	2.8x	2.8x
Bull M&A	2.8x	2.8x	2.8x	2.8x	2.8x	2.8x
Gross margins of targets						
Base M&A	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Bull M&A	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Debt/EV % of targets						
Base M&A	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Bull M&A	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

Source: Echelon estimates

DCF Scenario Summaries: Below, we present the summary financials with our bull and base M&A scenarios.

Exhibit 22 – Bull/Base Case (M&A) Estimates with CAGRs

BULL M&A

Fiscal year/quarter	Q121E	Q221E	Q321E	Q421E	2021E	2022E	2023E	2024E	2025E	2026E	5Y CAGR
In $Ms except per share											
Revenue	9.5	10.5	13.3	15.8	49.1	67.4	82.3	97.8	113.6	127.7	21.1%
Growth %	*(9.5%)*	*43.6%*	*35.6%*	*43.7%*	*27.2%*	*37.3%*	*22.1%*	*18.9%*	*16.2%*	*12.4%*	
Gross profit	3.2	3.8	5.2	6.6	18.8	28.1	37.0	46.4	56.2	64.9	28.1%
Gross profit margin	*33.9%*	*35.8%*	*39.2%*	*41.9%*	*38.3%*	*41.7%*	*45.0%*	*47.4%*	*49.4%*	*50.8%*	
Adjusted EBITDA	(1.1)	(0.2)	0.2	0.8	(0.4)	3.1	8.7	15.6	24.2	31.2	NM
Growth %	*(173.3%)*	*(122.5%)*	*(89.1%)*	*NM*	*(119.0%)*	*NM*	*177.0%*	*79.2%*	*55.0%*	*29.0%*	
Adjusted EBITDA margin	*(11.8%)*	*(2.3%)*	*1.2%*	*5.0%*	*(0.9%)*	*4.7%*	*10.6%*	*16.0%*	*21.3%*	*24.4%*	
FCF	(1.5)	(1.3)	(1.5)	(1.3)	(5.7)	(1.9)	1.3	4.9	9.7	14.6	NM
FCFPS (FD)	($0.03)	($0.03)	($0.03)	($0.03)	($0.12)	($0.04)	$0.03	$0.09	$0.17	$0.26	

BASE M&A

Fiscal year/quarter	Q121E	Q221E	Q321E	Q421E	2021E	2022E	2023E	2024E	2025E	2026E	5Y CAGR
In $Ms except per share											
Revenue	9.5	10.5	12.9	14.9	47.7	62.5	73.8	85.7	98.0	108.5	17.8%
Growth %	*(9.5%)*	*43.6%*	*31.1%*	*35.6%*	*23.8%*	*30.8%*	*18.1%*	*16.2%*	*14.3%*	*10.7%*	
Gross profit	3.2	3.8	4.9	6.0	17.9	25.6	32.8	40.4	48.4	55.3	25.3%
Gross profit margin	*33.9%*	*35.8%*	*38.3%*	*40.5%*	*37.5%*	*41.1%*	*44.4%*	*47.1%*	*49.4%*	*50.9%*	
Adjusted EBITDA	(1.1)	(0.2)	0.0	0.5	(0.9)	2.1	6.6	12.1	19.1	24.5	NM
Growth %	*(173.3%)*	*(122.5%)*	*(99.4%)*	*NM*	*(139.6%)*	*NM*	*210.0%*	*84.5%*	*57.3%*	*28.5%*	
Adjusted EBITDA margin	*(11.8%)*	*(2.3%)*	*0.1%*	*3.2%*	*(1.8%)*	*3.4%*	*8.9%*	*14.1%*	*19.5%*	*22.6%*	
FCF	(1.5)	(1.3)	(0.7)	(0.6)	(4.1)	(0.5)	2.8	5.9	10.1	14.3	NM
FCFPS (FD)	($0.03)	($0.03)	($0.01)	($0.01)	($0.09)	($0.01)	$0.06	$0.11	$0.19	$0.27	

Source: Echelon estimates

We note that our $10M and $20M of annual acquisition outlays add $0.73 and $1.98, respectively, to our baseline organic DCF of $5.62.

Exhibit 23 – Bull/Base Case (M&A) DCF One-Year Target Prices

BULL M&A

Exit EBITDA multiple	Discount rate 12.0%	11.0%	10.0%	9.0%	8.0%
14.5x	$6.26	$6.51	$6.77	$7.05	$7.34
15.5x	$6.64	$6.90	$7.18	$7.48	$7.79
16.5x	$7.02	$7.30	$7.60	$7.91	$8.24
17.5x	$7.39	$7.69	$8.01	$8.34	$8.69
18.5x	$7.77	$8.09	$8.42	$8.77	$9.13

BASE M&A

Exit EBITDA multiple	Discount rate 12.0%	11.0%	10.0%	9.0%	8.0%
14.5x	$5.28	$5.48	$5.70	$5.92	$6.16
15.5x	$5.58	$5.80	$6.03	$6.26	$6.52
16.5x	$5.88	$6.11	$6.35	$6.61	$6.87
17.5x	$6.19	$6.43	$6.68	$6.95	$7.23
18.5x	$6.49	$6.74	$7.01	$7.29	$7.59

Source: Echelon estimates

Relative Valuation

Our review across the 24 healthcare providers supports a natural evolution of peer valuations from EV/revenue towards EV/gross profit measures, as the strategic profile for peers emerges and their leverage to technology, digital services, and traditional brick and mortar crystallizes. We take a more bullish view toward traditional brick and mortar assets given the prospects of technology redefining their economics and viewing their primary data as an area of significant strategic value. While there are robust white paper valuations on data, we await commercial revenues before looking for capital markets recognition. Nonetheless, primary data capabilities are critical to the emergence of data analytic-enriched digital protocols and for clinical research, where both the data and access to patients are essential.

Earlier in the report, we ran an analysis of MCI's revenue and gross profit profile versus its broader peer group of 24 global digital health peers. We found a significant disconnect where **MCI's 2022 EV/revenue multiple ranks 22nd of the 24 names, despite its 2022 revenue growth ranking 10th highest.** We also found that **MCI's 2022 EV/gross profit multiple ranks 18th against its gross profit growth estimate ranking 6th highest. The peer group carries 2021/22 EV/revenue median multiples of 5.5x/3.9x compared to MCI's EV/revenue valuations of 2.9x/2.3x. When looking at 2021/22 EV/gross profit median multiples, the peer group sits at 11.5x/8.6x against MCI's 7.8x/5.7x.** We look for confirmation of our organic growth thesis to support a positive revaluation. We further believe that prospective acquisitions offer the potential as positive catalysts where market valuations accord premiums for companies with a track record of accretive, on-strategy acquisitions.

Exhibit 24 – Global Digital Health Peers

Company	Ticker / Exchange	Price	Currency	EV ($M)	2021 CY Revenue Growth	2021 CY EV / Revenue	2021 CY Gross Margin	2021 CY EV / Gross profit	2021 CY G. Profit Growth	2021 CY EV / EBITDA	2022 CY Revenue Growth	2022 CY EV / Revenue	2022 CY Gross Margin	2022 CY EV / Gross profit	2022 CY G. Profit Growth	2022 CY EV / EBITDA
MCI Onehealth Technologies Inc.	*DRDR-TSX*	*$3.32*	*CAD*	*167.0*	*28%*	*3.4x*	*39%*	*8.8x*	*168%*	*NM*	*18%*	*2.9x*	*41%*	*7.1x*	*24%*	*142.9x*
	Echelon Estimates:			*132.3*	*20%*	*2.9x*	*37%*	*7.8x*	*32%*	*NM*	*24%*	*2.3x*	*40%*	*5.7x*	*36%*	*83.3x*
WELL Health Technologies Corp.	WELL-TSX	$7.71	CAD	1,200.8	339%	5.5x	47%	11.5x	393%	27.6x	45%	3.8x	48%	7.8x	48%	15.2x
CloudMD Software & Services Inc.	DOC-TSXV	$2.15	CAD	401.8	517%	4.4x	41%	10.8x	498%	131.4x	60%	2.8x	41%	6.8x	59%	34.4x
Skylight Health Group Inc.	SHG-TSXV	$1.25	CAD	226.3	233%	5.1x	69%	7.4x	231%	42.7x	31%	3.9x	69%	5.6x	32%	30.0x
Mindbeacon Holdings Inc.	MBCN-TSX	$7.88	CAD	121.5	98%	5.9x	50%	11.8x	116%	NM	79%	3.3x	56%	5.9x	102%	NM
kneat.com, inc.	KSI-TSXV	$3.15	CAD	218.4	73%	17.0x	49%	34.9x	117%	NM	69%	10.1x	56%	18.0x	94%	99.8x
Vitalhub Corp.	VHI-TSXV	$2.91	CAD	82.8	57%	3.8x	75%	5.1x	59%	21.3x	13%	3.4x	76%	4.4x	14%	14.8x
Think Research Corporation	THNK-TSXV	$3.65	CAD	169.0	107%	4.2x	62%	6.8x	108%	139.1x	25%	3.4x	64%	5.2x	30%	36.7x
IQVIA Holdings Inc.	IQV-US	$207.49	USD	51,404.8	12%	4.0x	35%	11.5x	16%	18.4x	9%	3.7x	35%	10.5x	9%	16.7x
Teladoc Health, Inc.	TDOC-US	$189.25	USD	29,912.8	82%	15.0x	67%	22.5x	89%	112.9x	31%	11.5x	67%	17.1x	32%	72.5x
Phreesia, Inc.	PHR-US	$51.10	USD	2,349.3	23%	13.0x	68%	19.1x	30%	950.7x	22%	10.7x	69%	15.5x	23%	221.4x
Veeva Systems Inc.	VEEV-US	$270.66	USD	39,600.3	21%	22.8x	74%	30.9x	24%	60.2x	19%	19.2x	74%	25.8x	20%	49.3x
NextGen Healthcare, Inc.	NXGN-US	$18.53	USD	1,222.7	4%	2.1x	51%	4.2x	1%	10.6x	5%	2.0x	51%	4.0x	5%	9.8x
1Life Healthcare, Inc.	ONEM-US	$42.08	USD	5,487.7	27%	11.4x	37%	30.5x	24%	NM	24%	9.1x	38%	23.9x	28%	293.7x
U.S. Physical Therapy, Inc.	USPH-US	$104.63	USD	1,575.3	27%	3.4x	23%	14.8x	9%	24.7x	6%	3.2x	24%	13.2x	12%	21.4x
Health Catalyst, Inc.	HCAT-US	$50.21	USD	2,135.8	21%	9.4x	52%	18.0x	31%	NM	21%	7.8x	54%	14.4x	24%	907.3x
OptimizeRx Corporation	OPRX-US	$51.40	USD	853.8	29%	15.3x	57%	27.0x	31%	114.4x	32%	11.6x	58%	19.9x	36%	58.1x
Castlight Health, Inc.	CSLT-US	$1.65	USD	225.5	(9%)	1.7x	66%	2.6x	(7%)	64.3x	3%	1.6x	68%	2.4x	6%	20.0x
Inovalon Holdings, Inc.	INOV-US	$29.59	USD	5,523.3	13%	7.3x	75%	9.7x	14%	20.4x	10%	6.6x	76%	8.7x	11%	18.1x
iRhythm Technologies, Inc.	IRTC-US	$85.71	USD	2,286.6	19%	7.3x	71%	10.2x	15%	NM	18%	6.2x	69%	8.9x	15%	220.8x
Ontrak, Inc.	OTRK-US	$32.12	USD	531.8	17%	5.5x	48%	11.5x	18%	NM	61%	3.4x	49%	6.9x	67%	95.7x
Cerner Corporation	CERN-US	$74.02	USD	22,807.3	6%	3.9x	83%	4.7x	6%	12.2x	5%	3.7x	83%	4.5x	5%	11.4x
Wolters Kluwer N.V.	WKL-ENXTAM	$76.38	EUR	22,305.4	1%	4.8x	70%	6.9x	0%	15.7x	4%	4.6x	70%	6.6x	4%	15.0x
RELX PLC	REL-LSE	$19.09	GBP	43,806.3	3%	6.0x	64%	9.3x	2%	16.3x	8%	5.5x	64%	8.6x	8%	14.8x
Mean (ex. DRDR):				10,193.4	75%	7.8x	58%	14.0x	79%	104.9x	26%	6.1x	59%	10.6x	30%	103.5x
Median (ex. DRDR):				1,575.3	23%	5.5x	62%	11.5x	24%	27.6x	21%	3.9x	64%	8.6x	23%	32.2x
MCI Onehealth Technologies Inc.				*167.0*	*28%*	*3.4x*	*39%*	*8.8x*	*168%*	*NM*	*18%*	*2.9x*	*41%*	*7.1x*	*24%*	*142.9x*
	Echelon Estimates:			*132.3*	*20%*	*2.9x*	*37%*	*7.8x*	*32%*	*NM*	*24%*	*2.3x*	*40%*	*5.7x*	*36%*	*83.3x*

Source: S&P Capital IQ, Echelon estimates

For future reference, we note that as MCI builds out its SaaS-like, high-margin Data & Technology platform, it may become relevant to value that business on par with other SaaS technology players. **Our universe of 36 Global SaaS Technology names (Exhibit 25 below), which includes 9 Canadian Technology peers (Exhibit 26), trades at 11.0x/9.9x 2021/22 EV/revenue median multiples and 14.6x/12.8x EV/gross profit median multiples. Taking just the Canadian peer group, we see 8.4x/7.3x 2021/22 EV/revenue median multiples, and 16.3x/18.0x 2021/22 EV/gross profit median multiples.**

Exhibit 25 – Global SaaS Technology Peers

Company	Ticker / Exchange	Price	Currency	EV ($M)	2021 CY Revenue Growth	2021 CY EV / Revenue	2021 CY Gross Margin	2021 CY EV / Gross profit	2021 CY G. Profit Growth	2021 CY EV / EBITDA	2022 CY Revenue Growth	2022 CY EV / Revenue	2022 CY Gross Margin	2022 CY EV / Gross profit	2022 CY G. Profit Growth	2022 CY EV / EBITDA
MCI Onehealth Technologies Inc.	***DRDR-TSX***	***$3.32***	***CAD***	***167.0***	***28%***	***3.4x***	***39%***	***8.8x***	***168%***	***NM***	***18%***	***2.9x***	***41%***	***7.1x***	***24%***	***142.9x***
	Echelon Estimates:			***132.3***	***20%***	***2.9x***	***37%***	***7.8x***	***32%***	***NM***	***24%***	***2.3x***	***40%***	***5.7x***	***36%***	***83.3x***
Shopify Inc.	SHOP-TSX	$1,555.57	USD	148,541.2	39%	36.4x	53%	68.9x	40%	322.5x	35%	27.0x	52%	51.7x	33%	206.0x
kneat.com, inc.	KSI-TSXV	$3.15	CAD	218.4	73%	17.0x	49%	34.9x	117%	NM	69%	10.1x	56%	18.0x	94%	99.8x
Enghouse Systems Limited	ENGH-TSX	$59.94	CAD	3,130.8	3%	6.0x	72%	8.3x	4%	17.0x	14%	5.3x	n/a	n/a	n/a	15.6x
Constellation Software Inc.	CSU-TSX	$1,900.26	USD	40,215.9	20%	8.4x	n/a	n/a	n/a	28.4x	15%	7.3x	n/a	n/a	n/a	25.5x
The Descartes Systems Group Inc	DSG-TSX	$81.87	USD	6,763.6	12%	17.4x	75%	23.3x	13%	42.3x	13%	15.4x	75%	20.7x	13%	37.1x
Kinaxis Inc.	KXS-TSX	$156.60	USD	4,011.0	10%	16.3x	65%	25.2x	3%	132.5x	28%	12.7x	68%	18.7x	35%	59.9x
Open Text Corporation	OTEX-TSX	$62.03	USD	15,833.0	4%	4.7x	75%	6.3x	4%	12.4x	2%	4.7x	76%	6.2x	2%	11.9x
Tecsys Inc.	TCS-TSX	$45.36	CAD	635.9	16%	4.7x	50%	9.3x	20%	37.1x	16%	4.0x	54%	7.5x	25%	24.5x
Absolute Software Corporation	ABST-TSX	$16.82	USD	677.9	12%	5.4x	88%	6.1x	13%	23.2x	13%	4.8x	89%	5.4x	13%	21.0x
Oracle Corporation	ORCL-US	$76.67	USD	255,242.6	3%	6.2x	81%	7.7x	4%	12.3x	3%	6.1x	81%	7.5x	3%	12.0x
Etsy, Inc.	ETSY-US	$224.03	USD	27,707.1	25%	12.8x	74%	17.3x	27%	43.0x	20%	10.7x	74%	14.4x	20%	34.9x
Alibaba Group Holding Limited	BABA-US	$241.89	CNY	628,640.3	32%	0.7x	42%	1.7x	28%	2.7x	23%	0.6x	42%	1.4x	23%	2.2x
Veeva Systems Inc.	VEEV-US	$270.66	USD	39,600.3	21%	22.8x	74%	30.9x	24%	60.2x	19%	19.2x	74%	25.8x	20%	49.3x
ServiceNow, Inc.	NOW-US	$548.93	USD	106,688.3	27%	18.6x	82%	22.8x	32%	60.9x	25%	14.9x	82%	18.1x	26%	46.9x
Wix.com Ltd.	WIX-US	$294.42	USD	16,014.0	30%	12.5x	63%	19.8x	20%	157.4x	25%	10.0x	63%	15.9x	24%	80.0x
PagerDuty, Inc.	PD-US	$43.12	USD	3,270.5	25%	12.4x	85%	14.6x	25%	NM	24%	10.0x	86%	11.7x	25%	NM
Amazon.com, Inc.	AMZN-US	$3,400.00	USD	1,728,953.1	22%	3.7x	40%	9.1x	25%	23.8x	18%	3.1x	41%	7.5x	20%	19.2x
Zendesk, Inc.	ZEN-US	$149.78	USD	17,504.1	26%	13.5x	79%	17.2x	31%	124.0x	25%	10.8x	79%	13.7x	25%	89.7x
HubSpot, Inc.	HUBS-US	$525.00	USD	23,863.4	32%	20.4x	83%	24.8x	35%	161.4x	25%	16.3x	83%	19.6x	26%	123.3x
salesforce.com, inc.	CRM-US	$232.00	USD	208,119.0	21%	8.2x	78%	10.5x	27%	28.6x	19%	6.9x	78%	8.8x	20%	23.0x
Pegasystems Inc.	PEGA-US	$128.78	USD	10,471.4	22%	8.4x	72%	11.7x	27%	164.1x	20%	7.0x	73%	9.7x	21%	69.9x
Workday, Inc.	WDAY-US	$265.93	USD	63,323.4	16%	12.8x	76%	17.0x	21%	58.6x	18%	10.9x	77%	14.2x	20%	44.8x
PayPal Holdings, Inc.	PYPL-US	$275.43	USD	319,262.9	20%	12.4x	54%	22.9x	40%	42.2x	21%	10.3x	52%	19.7x	16%	34.6x
PTC Inc.	PTC-US	$147.21	USD	17,991.3	15%	10.3x	81%	12.7x	19%	31.2x	11%	9.2x	81%	11.4x	12%	26.4x
Microsoft Corporation	MSFT-US	$258.49	USD	1,900,380.4	12%	11.0x	68%	16.1x	13%	23.0x	12%	9.9x	68%	14.4x	12%	20.4x
Paycom Software, Inc.	PAYC-US	$389.71	USD	22,407.7	20%	22.2x	86%	25.8x	17%	56.6x	25%	17.7x	86%	20.6x	25%	44.2x
GoDaddy Inc.	GDDY-US	$86.58	USD	17,439.0	12%	4.7x	65%	7.2x	12%	17.1x	11%	4.3x	65%	6.5x	11%	15.3x
VMware, Inc.	VMW-US	$154.40	USD	66,056.6	8%	5.2x	84%	6.2x	10%	15.4x	9%	4.8x	84%	5.7x	9%	13.6x
Citrix Systems, Inc.	CTXS-US	$139.00	USD	18,191.7	4%	5.4x	86%	6.3x	4%	15.8x	9%	5.0x	86%	5.8x	9%	14.5x
Alphabet Inc.	GOOG-US	$2,267.27	USD	1,414,748.7	23%	6.3x	55%	11.4x	27%	17.0x	17%	5.4x	55%	9.8x	17%	14.4x
ANSYS, Inc.	ANSS-US	$371.02	USD	32,358.5	10%	17.5x	89%	19.5x	11%	41.3x	11%	15.8x	90%	17.5x	11%	35.9x
Splunk Inc.	SPLK-US	$147.69	USD	25,036.2	12%	10.0x	78%	12.8x	15%	NM	22%	8.1x	78%	10.5x	22%	123.3x
VeriSign, Inc.	VRSN-US	$205.19	USD	23,840.4	4%	18.1x	86%	21.1x	4%	26.2x	8%	16.8x	86%	19.6x	8%	24.7x
Aspen Technology, Inc.	AZPN-US	$151.21	USD	10,378.8	12%	13.8x	92%	15.0x	13%	24.3x	4%	13.3x	92%	14.6x	3%	24.1x
SAP SE	SAP-XTRA	$112.16	EUR	141,109.6	(1%)	5.2x	73%	7.1x	2%	14.8x	4%	5.0x	73%	6.9x	4%	14.5x
Dassault Systèmes SE	DSY-ENXTPA	$190.90	EUR	52,630.3	7%	11.0x	84%	13.1x	9%	32.1x	9%	10.1x	85%	11.9x	10%	28.7x
	Mean			205,868.3	18%	11.7x	72%	16.7x	21%	56.6x	18%	9.8x	73%	13.9x	19%	43.7x
	Median			24,449.8	16%	11.0x	75%	14.6x	19%	31.2x	17%	9.9x	76%	12.8x	20%	26.4x
	MCI Onehealth Technologies Inc.			***167.0***	***28%***	***3.4x***	***39%***	***8.8x***	***168%***	***NM***	***18%***	***2.9x***	***41%***	***7.1x***	***24%***	***142.9x***
	Echelon Estimates:			***132.3***	***20%***	***2.9x***	***37%***	***7.8x***	***32%***	***NM***	***24%***	***2.3x***	***40%***	***5.7x***	***36%***	***83.3x***

Source: S&P Capital IQ, Echelon estimates

Exhibit 26 – Canadian SaaS Technology Peers

Company	Ticker / Exchange	Price	Currency	EV ($M)	2021 CY Revenue Growth	2021 CY EV / Revenue	2021 CY Gross Margin	2021 CY EV / Gross profit	2021 CY G. Profit Growth	2021 CY EV / EBITDA	2022 CY Revenue Growth	2022 CY EV / Revenue	2022 CY Gross Margin	2022 CY EV / Gross profit	2022 CY G. Profit Growth	2022 CY EV / EBITDA
MCI Onehealth Technologies Inc.	***DRDR-TSX***	***$3.32***	***CAD***	***167.0***	***28%***	***3.4x***	***39%***	***8.8x***	***168%***	***NM***	***18%***	***2.9x***	***41%***	***7.1x***	***24%***	***142.9x***
	Echelon Estimates:			***132.3***	***20%***	***2.9x***	***37%***	***7.8x***	***32%***	***NM***	***24%***	***2.3x***	***40%***	***5.7x***	***36%***	***83.3x***
Shopify Inc.	SHOP-TSX	$1,555.57	USD	148,541.2	39%	36.4x	53%	68.9x	40%	322.5x	35%	27.0x	52%	51.7x	33%	206.0x
kneat.com, inc.	KSI-TSXV	$3.15	CAD	218.4	73%	17.0x	49%	34.9x	117%	NM	69%	10.1x	56%	18.0x	94%	99.8x
Enghouse Systems Limited	ENGH-TSX	$59.94	CAD	3,130.8	3%	6.0x	72%	8.3x	4%	17.0x	14%	5.3x	n/a	n/a	n/a	15.6x
Constellation Software Inc.	CSU-TSX	$1,900.26	USD	40,215.9	20%	8.4x	n/a	n/a	n/a	28.4x	15%	7.3x	n/a	n/a	n/a	25.5x
The Descartes Systems Group Inc	DSG-TSX	$81.87	USD	6,763.6	12%	17.4x	75%	23.3x	13%	42.3x	13%	15.4x	75%	20.7x	13%	37.1x
Kinaxis Inc.	KXS-TSX	$156.60	USD	4,011.0	10%	16.3x	65%	25.2x	3%	132.5x	28%	12.7x	68%	18.7x	35%	59.9x
Open Text Corporation	OTEX-TSX	$62.03	USD	15,833.0	4%	4.7x	75%	6.3x	4%	12.4x	2%	4.7x	76%	6.2x	2%	11.9x
Tecsys Inc.	TCS-TSX	$45.36	CAD	635.9	16%	4.7x	50%	9.3x	20%	37.1x	16%	4.0x	54%	7.5x	25%	24.5x
Absolute Software Corporation	ABST-TSX	$16.82	USD	677.9	12%	5.4x	88%	6.1x	13%	23.2x	13%	4.8x	89%	5.4x	13%	21.0x
	Mean			24,447.5	21%	12.9x	66%	22.8x	27%	76.9x	23%	10.1x	67%	18.3x	31%	55.7x
	Median			4,011.0	12%	8.4x	68%	16.3x	13%	32.7x	15%	7.3x	68%	18.0x	25%	25.5x
	MCI Onehealth Technologies Inc.			***167.0***	***28%***	***3.4x***	***39%***	***8.8x***	***168%***	***NM***	***18%***	***2.9x***	***41%***	***7.1x***	***24%***	***142.9x***
	Echelon Estimates:			***132.3***	***20%***	***2.9x***	***37%***	***7.8x***	***32%***	***NM***	***24%***	***2.3x***	***40%***	***5.7x***	***36%***	***83.3x***

Source: S&P Capital IQ, Echelon estimates

Looking deeper into our survey of 36 SaaS companies (37 including MCI), we found that the 22 with 2022 revenue growth exceeding 15%, were valued at an average of 12.9x/10.2x 2021/22 EV/revenue multiples and 19.8x/15.4x 2021/22 EV/gross profit multiples. While MCI's 2022 revenue and gross profit growth estimates compare admirably with this high-growth group, its valuations represent a fraction of the group's averages on both revenue and gross

profit. We recognize that the peer group materially differs with respect to EV (size) and EBITDA generation; however, it clearly reflects market support for growth and SaaS economics.

Exhibit 27 – Global SaaS Technology Peers Sorted by 2022 Revenue Growth

			2021 CY						2022 CY					
	Number of Companies	EV ($M)	Revenue Growth	EV / Revenue	Gross Margin	EV / Gross profit	G. Profit Growth	EV / EBITDA	Revenue Growth	EV / Revenue	Gross Margin	EV / Gross profit	G. Profit Growth	EV / EBITDA
MCI Onehealth Technologies Inc.	*DRDR-TSX*	*167.0*	*28%*	*3.4x*	*39%*	*8.8x*	*168%*	*NM*	*18%*	*2.9x*	*41%*	*7.1x*	*24%*	*142.9x*
		132.3	*20%*	*2.9x*	*37%*	*7.8x*	*32%*	*NM*	*24%*	*2.3x*	*40%*	*5.7x*	*36%*	*83.3x*
2022 Revenue growth			**Averages**						**Averages**					
Greater than 15%	**22**	**220,425.7**	**25%**	**12.9x**	**65%**	**19.8x**	**30%**	**84.5x**	**24%**	**10.2x**	**66%**	**15.4x**	**27%**	**61.8x**
Less than 15%	15	170,801.6	8%	9.5x	80%	11.7x	9%	23.2x	9%	8.7x	81%	11.0x	9%	21.0x

Source: S&P Capital IQ, Echelon estimates

Appendix One: Canadian Primary Care

The primary care market is often viewed as the foundation for broader health system transformation and thus the Government of Canada has stated its commitment to working in partnership with provincial and territorial governments to strengthen these systems to meet the needs of Canadians. With an ageing population, new technologies, and increasing rates of chronic disease, the federal government has emphasized the importance placed on better care delivery and ultimately better outcomes at an affordable cost. However, despite this political agenda placing an increased focus on primary care over the past two decades, several studies and surveys have continued to rank Canada behind its industrialized peers with respect to timely access to care, EMR use and audit, and feedback for quality improvement in primary care. These disappointing realities helped to push the Canadian government to again attempt to prioritize healthcare by announcing investments of $11B over the following 10 years in the 2017 budget.

Canadian Healthcare Challenges: There is substantial consensus across the industrialized world that improvements in "first contact" healthcare are crucial in both enhancing population health and sustaining increasingly stretched healthcare systems. There is ample evidence that countries with strong primary care have demonstrably better health outcomes and health equity, which, importantly, result in lower mortality and overall costs. In Canada, despite successive waves of primary care reform, actual change in its organization and delivery has been modest. Traditionally, primary care in Canada has been predominantly a system provided to individual patients, by individual doctors, working in private practice on an FFS basis, often without arrangements for after-hours services or meaningful network connections to other healthcare providers.

Conflict of Interest: The environment is sometimes characterized in terms of "private practise, public payment", and conflicts between the two parties' goals and motivations have been a mainstay. While Canada's federal government pays for universal access for medically necessary hospital or doctor services, primary care providers (physicians) still control most of the autonomy in care delivery. For example, physicians retain considerable influence in what constitutes a medical necessity, as well as how they run their practice, location, hours, services, and ultimately who they accept as patients. Approximately 70% of healthcare spending in Canada comes from public tax revenues, while healthcare delivery is mostly through private for-profit (and some not-for-profit) and public organizations. As such, most primary care physicians continue to work in small private practices, which are essentially small businesses. Given that most of the revenue flowing into these small businesses is publicly funded while most of the control and autonomy in care and service delivery resides with the physicians, the result is often minimal accountability for the delivery of care. Provincial and territorial governments, who hold primary jurisdiction over healthcare, have been unable to take control over physician services – Nunavut and the Northwest Territories, territories with very small populations, are the only jurisdictions where physicians are under direct contract with the government. The government-physician conflict of interest is further highlighted where primary care reform models have been created around financially incentivising physicians, which often creates new dilemmas surrounding added system costs in the absence of hard evidence of better patient outcomes.

Fragmentation: The primary healthcare landscape in Canada is highly fragmented, where there are roughly 35,000-40,000 primary care clinics across Canada but only a handful of competitors similar to MCI's size of 25 clinics. Appletree Medical (Private – 38 medical centres across Ontario) and WELL Health (20 clinics in B.C. and 5 in Quebec) are two of the only comparable primary care organizations. This fragmentation can result in a lack of care coordination and negatively affect quality of care, access to care, and quality of life. On the care provider side, fragmentation can lead to a duplication of services, conflicting information from providers, and costs incurred by delays in care. The term "*siloization*" is often used to describe the fragmentation in Canada, where there is a lack of information flow and resources across the system, which limit the efficiency and effectiveness of care provision.

It should be noted that Canada has seen strides in this area over the last 5+ years, as evidenced by the Commonwealth Fund Survey in 2019 (Canadian Institute for Health Information (CIHI), 2020), which saw a reduction of physicians practising in private solo practices (from 20% to 15% of total) and an increase of those in physician group practices (from 60% to 65% of total).

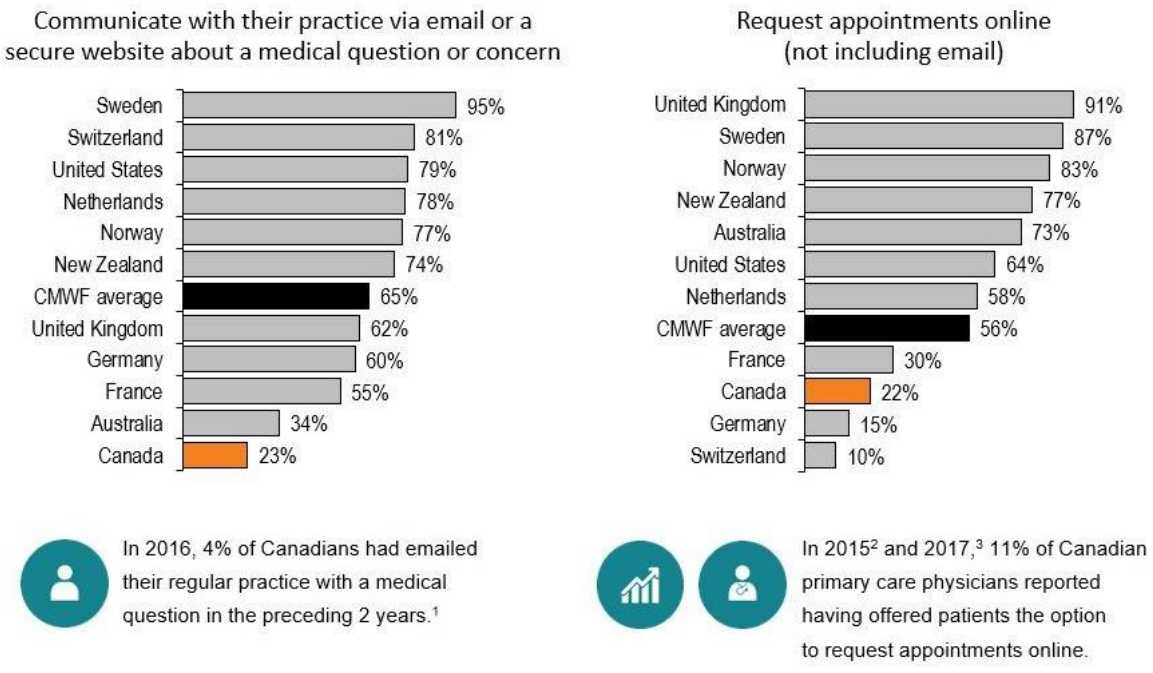
Physicians Per Capita: Canada also falls short on the number of physicians per capita compared to its developed-nation peers. For example, of the G7 countries, only Japan ranks behind Canada in number of physicians per 1,000 people,

where Canada comes in at 2.6 physicians per 1,000 people (WHO, OECD, 2017). Other notable developed countries and their respective physicians per 1,000 people stats include, in order: Switzerland 4.3, Germany 4.2, Iceland 4.1, Sweden 4.0, Italy 4.0, Australia 3.7, France 3.3, Ireland 3.3, Norway 2.9, UK 2.8, and the US at 2.6. **While per capita measures are critical there is also the consideration of physician hours where it has been estimated that fewer than half work full time hours.**

Technology Lags: Another area of concern within Canada's primary care landscape is its lagging use of technology. In the same 2019 Commonwealth Fund Survey referenced earlier, Canada ranked dead last in the proportion of primary care physicians whose practice offers patients the option to communicate with their practice via email or a secure website about a medical question or concern. Most of the countries listed above in the previous section (regarding physicians per capita) were well ahead of Canada in the survey (see Exhibit 28 below); on average, 65% of those countries' primary care physicians possessed the capability compared to just 23% of Canadian primary care providers. Canada also ranked near the bottom in proportion of primary care physicians whose practice offers patients the option to request appointments online (not including email) at just 22% – for reference, the UK was at 91% and the US at 64%. However, Canada has seen some progress in this area, as just 11% of Canadian primary care physicians reported offering this online appointment booking service in 2017. Similarly, the percentage of primary care physicians using EMRs was 86% in 2019, representing a solid uptick from 73% in 2015 but still lagged well behind the developed-nation average of 93%, ranking Canada second last. Lastly, fewer primary care physicians in Canada have the ability to exchange information electronically with doctors outside their practice when compared to the developed-nation average, including patient clinical summaries (25% vs. 63%), laboratory and diagnostic test results (36% vs. 65%), and lists of medications taken by their patients (33% vs. 62%). While the COVID-19 pandemic has certainly accelerated the use of technology in Canadian primary care, these 2019 findings are still sobering reminders of the work that lies ahead and the opportunity for MCI to leverage its size, scale, and technology-driven platform to improve these metrics in the upcoming years.

Exhibit 28 – Canada Lags in Primary Care Technology Use

Proportion of primary care physicians whose practice offers patients the following options



Source: CIHI

Appendix Two: Privately Insured Healthcare

Perspective: Industry forecasts support annual growth of ~8% in privately funded healthcare costs in Canada. We support the growing, COVID-19 influenced views that prior forecasts are likely to prove conservative. Our bullish outlook considers the broken nature of public, primary care as a strong tailwind for privately funded healthcare. Past arguments for private care focused on both the value associated with coverage by employers and the tough-to-measure value of enhanced preventative care and proactive screening. These arguments remain; however, we see the challenges about employee access to care and ineffective triaging in the public care channels supporting clear, attractive paybacks for employers in addition to the longstanding merits of private healthcare.

Market Trends: We mentioned in the above Canadian Primary Care Appendix that approximately 70% of healthcare spending in Canada comes from public tax revenue. The other 30% of total health spending comes from private health spending, which includes private insurance, out-of-pocket expenses, and others. In 2018, roughly 25M Canadians had supplementary health insurance to achieve their healthcare needs falling outside the scope of Canada's public Medicare offering (Mordor Intelligence). The status quo for Canadians entails employment-based supplementary health insurance which generally covers services such as dental, optometry, extended prescription drug coverage, and various other specialists including physiotherapy, chiropractic, and massage.

The Canadian private health insurance market was valued at ~US$41B in 2017 (Mordor Intelligence), which translates to ~$53B in Canadian dollars (using the average 2017 USD/CAD exchange rate) and was expected to grow at a 7.5% CAGR from 2019-2024.

There are more than 130 health insurers serving the Canadian population, with concentration at the top, where the biggest players, such as Sun Life Financial (SLF-TSX, NR), Manulife (MFC-TSX, NR), and Great-West Lifeco. (GWO-TSX, NR) contributed about 25-30% of the total health insurance market in 2018. Group sales through medium- and large-sized employers are the dominant distribution channel in the country, where health insurers will use a multitude of different sales agent types. Managing General Agencies (MGAs) for example, are the largest distribution channel for health insurance in Canada and contribute ~30% of new premium sales. MGAs may use the private insurer company's back-office support, as well as sales and marketing support, but are otherwise independent agents.

In another report on the industry in 2017, Mercer projected employer healthcare costs to increase 130%+ by 2025 (this represents an 11% CAGR over the eight-year span). Mercer went on to cite the following major reasons for the double-digit inflation trend:

- **Biologic drugs:** Innovative biologic drugs offer tremendous promise in treating some of society's most debilitating diseases, but there is also a large expense to this innovation. Specialty drugs account for the greatest percentage price increase in healthcare. For example, in a 2015 Express Scripts Canada report, the use of specialty drugs was up 7.3% and its costs were up 11.3%;
- **Chronic health:** Consumers are increasingly becoming less healthy and being diagnosed with/treated for chronic and mental illness at a record pace. Obesity rates doubled in the past 30 years for adults and tripled for youth, according to the CIHI. Organizations will need to look for better access points to find new products and services that can save money while addressing these new needs;
- **Additional benefits:** Workers are requesting more healthcare-related services – such as massage therapy and chiropractic care – and are increasingly receiving them. We note that the COVID-19 pandemic is amplifying this trend exponentially, especially in certain areas such as mental health;
- **Fraud:** Benefit fraud is becoming a bigger issue, which further strains the entire system;
- **Pooling costs:** Health pooling costs are increasing as insurers struggle with the profitability of their health pools. Insurers are reportedly losing money on the pools, which are meant to cover high-cost claims. This implies there are more high-cost claims being charged. As a result, insurers are increasing pooling rates by 30-50% while also lessening plans' pooling protection.

It is for these reasons that we see the privately insured corporate demand for MCI's concierge-like services continuing to be strong for the foreseeable future. Employers are trying to invest now to get out in front of these rising costs in the space. More nuanced services that do not immediately invoke associations with traditional healthcare are also being offered and increasingly demanded by employers; for example, absence management, workers' compensation claims management, drivers' examinations, workplace safety and training, travel immunizations, and pre-employment medical testing. Investing in these services can help employers save potentially massive expenses down the line, whether it be employee production impairments, litigation-related fees, severance expenses, etc. Additionally, with the onset of the COVID-19 pandemic and the resulting rerating of healthcare priorities and values, the burden on employers to accommodate their employees' healthcare concerns is dramatically rising. Thus, we see the private healthcare tailwinds going forward mirroring those of the broader ecosystem (see Appendix Three).

Appendix Three: Bullish Healthcare Ecosystem Outlook

Though Canada was an early pioneer of adopting virtual care, where Dr. Maxwell of the University of Newfoundland in 1970 used the telephone to serve his patients throughout the province, it had become a laggard in the virtual care space compared to many of its developed-world peers. **However, with COVID-19, 47% of Canadians used virtual care in 2020. Moving forward, from the pool of Canadians who used virtual care, 91% expressed satisfaction and almost half indicated that they would prefer a virtual method as the first point of contact with their doctor** (Canadian Medical Association (CMA)).

Alignment: Our bullish thesis towards the healthcare supplier ecosystem is founded on a clear alignment of interests across the key stakeholders at a time where technology is a game-changing enabler.

Patients: There are multiple industry tailwinds at play that will continue to shape future demand for healthcare, both nationally and globally. While the COVID-19 pandemic fast-tracked the development and use of telehealth, its sustained growth rests with the positive consumer response and the ageing demographics. Statistics Canada reported that Canada's population is continuing to age with the 65+ demographic reaching 18.0% of the total population in 2020 compared to 13.7% in 2006. We highlight the 2025 and 2030 forecasts below of 19.9% and 14.8% five-year growth rates (Exhibit 29), respectively, in the heaviest healthcare user band between the ages of 65-84 years. The ageing population will lead to significantly greater demands on the Canadian healthcare system as older citizens require primary care to maintain their lifestyles. According to the CIHI, the total healthcare spending in both the public and private sectors was at $172B (2017), where **the average spending on citizens aged 80 and older is more than 7.0x compared to the rest of the population.**

Demographics: Below**, we highlight the 2025 and 2030 forecasts of 19.9% and 14.8% growth, respectively, in the heaviest healthcare user band between the ages of 65-84 years. We note that chronic care was put at ~58% of overall healthcare spending** (Public Health Agency of Canada, Backgrounder 2011). Four chronic diseases (cancer, cardiovascular diseases, diabetes, and respiratory diseases) account for over 60% of Canadian deaths. The Canadian Chronic Disease Surveillance System estimated that in 2021, the number of adults 65+ living with chronic conditions was ~6.3M (Canada's Chief Public Health Officer, Aging and Chronic Diseases: A Profile of Canadian Seniors). The strong correlation between chronic care and the ageing population where there are aggressive growth expectations suggests a rapidly advancing need for greater efficiency in the healthcare ecosystem.

Exhibit 29 – Canada's Demographic Trajectory

	2020	2025	2030	2035
Total ('000)	**37,874**	**39,914**	**41,888**	**43,756**
5 yr. Cumulative Add.		2,040	1,975	1,867
5 yr. Growth %		*5.4%*	*4.9%*	*4.5%*
<18 years	**8,185**	**8,550**	**8,789**	**9,015**
5 yr. Cumulative Add.		365	239	226
5 yr. Growth %		*4.5%*	*2.8%*	*2.6%*
18 - 64 years	**22,854**	**23,234**	**23,693**	**24,540**
5 yr. Cumulative Add.		380	459	847
5 yr. Growth %		*1.7%*	*2.0%*	*3.6%*
65 - 84 years	**5,982**	**7,170**	**8,229**	**8,634**
5 yr. Cumulative Add.		1,188	1,060	405
5 yr. Growth %		*19.9%*	*14.8%*	*4.9%*
85+ years	**853**	**960**	**1,178**	**1,567**
5 yr. Cumulative Add.		107	218	389
5 yr. Growth %		*12.5%*	*22.7%*	*33.1%*

Source: Statistics Canada

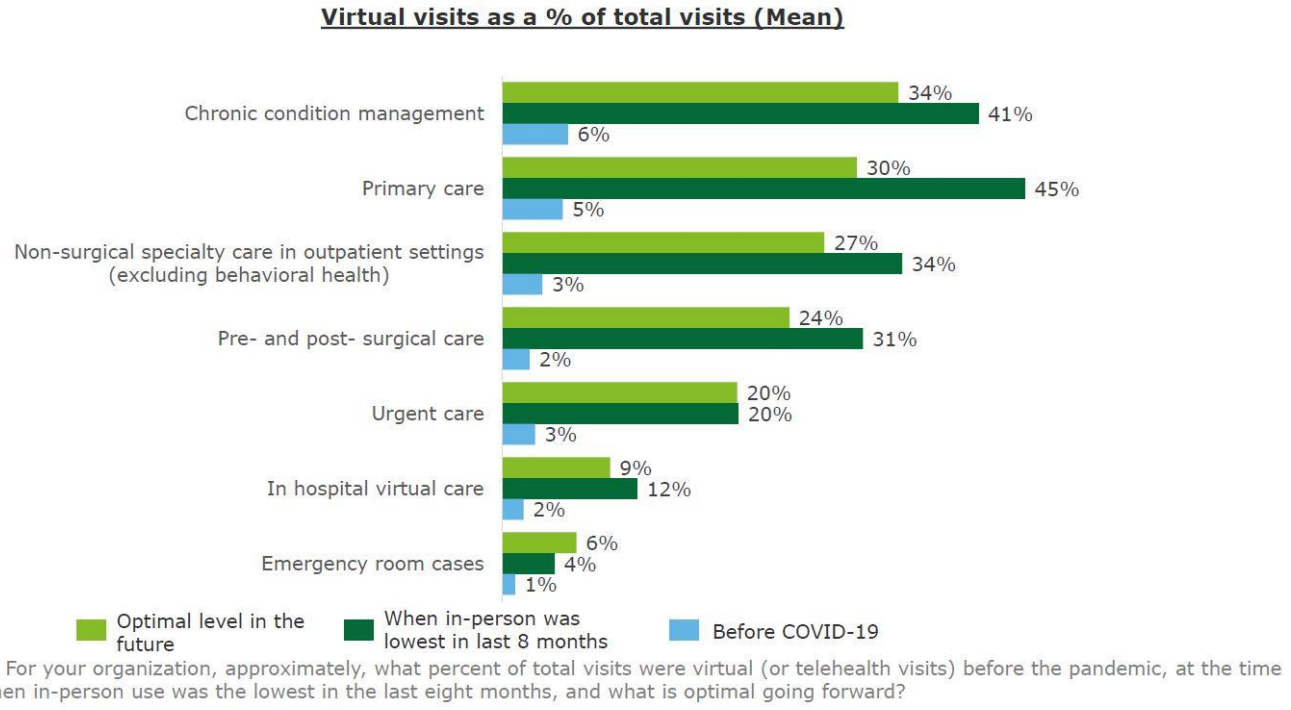
Patient Adoption of Telehealth: Another tailwind has been the massive shift in patient demands and values brought on by the COVID-19 pandemic, which has irreversibly changed patient priorities with an increased focus on personal safety, access, and quality of care. According to new research from the Institute for Clinical Evaluative Sciences (ICES), during the initial months of the COVID-19 pandemic, primary care office visits declined by nearly 80% in Ontario while virtual care through telephone and video visits increased fiftyfold. The same study showed that between March and

July of 2020, total primary care visits decreased by nearly 30% from 7.66 to 5.52 per 1,000 visitors per day compared to the same period in 2019.

Even prior to the COVID-19 pandemic, there was evidence that Canadians demanded telehealth in significant excess of what was being supplied. According to an IPSOS survey conducted in 2018 for the CMA, despite fewer than 1 in 10 respondents reporting that they had ever had a virtual visit or consultation, nearly 7 in 10 reported that they would take the opportunity if available, and almost 4 in 10 indicated that they would use that method for either all, or more than half, of their physician visits. Subsequent surveys prior to COVID-19 echoed these sentiments, as 71% of Canadians wanted the ability to book appointments electronically, despite only 9% of family physicians offering that option at the time. The same could be said for the desire to email their healthcare provider, as well as have video visits, with the demand outpacing the supply of those offerings by a factor of 2.5x and 10.0x, respectively.

The underlying evidence suggests that the disruption we have seen in the healthcare ecosystem brought on by the global pandemic is not simply a transitory development but is sustainable beyond COVID-19. Deloitte published a survey in 2020 asking physician leaders about the virtual health trends they were seeing pre- and during COVID-19, as well as getting their thoughts on an ideal level of virtual visits for the future. Primary care physicians believed that even in the future, a 30%+ level of virtual visits would be optimal.

Exhibit 30 – Optimal Virtual Visit Percentage in Future



Source: Deloitte physician leaders virtual health survey

When pairing this data with the fact that costs associated with an emergency visit and a standard hospital stay average approximately $300 and $6,000 across Canada (CIHI), respectively, it is easy to see the value proposition of virtual telehealth services for government payors.

Physicians: There are also tailwinds at hand supporting the adoption of digital health technology with respect to physicians. Much is made of the shortage of physicians, but we believe the real shortage is largely a consequence of physicians living in urban areas and balancing life priorities where approximately only 40% work full-time. Interestingly, in Canada and the US, approximately 20.0% of the population live in rural areas whereas only 7.6% of the total number of physicians serve in rural areas. We can attribute this discrepancy to several reasons, including travel time and distance, language, culture, ethnicity, industry, and socio-economic status. Thus, there is considerable potential for telehealth to play a clear role in allowing physicians to take on more patients, especially at a time when governments

are updating billing practices to include virtual health billing codes. Additionally, telehealth allows physicians to maximize their own personal safety from potential transmission of COVID-19; physicians with lingering concern in this area can dictate how much risk they wish to take on by what percentage of their visits remain virtual.

With respect to physician billing codes, one of the significant barriers that persisted against telehealth adoption was related to physician reimbursement. Essentially, physicians were subjected to different fee codes and reimbursement for virtual visits compared to in-person visits, which led to a lack of participation from physicians in virtual settings. However, with the recent introduction of new fee codes, and reimbursement being equivalent to in-person visits, we expect physicians' increasing role as a critical driver of telehealth adoption. Moreover, the future of healthcare does not merely depend on shifting care to a virtual landscape. It is about providing care in the right context, where appropriate compensation and billing mechanisms combined with robust technology infrastructure encourage physicians to participate in virtual settings. This is a step in the right direction to narrow the gap that was caused due to the physician shortage.

Aside from telehealth, medical technology and innovation are also giving physicians added peace of mind when delivering care. Without this, it has become impossible for clinicians to keep pace with the exponential growth of medical knowledge. It is estimated that the doubling time of medical knowledge in 1950 was 50 years; in 1980, 7 years; and in 2010, 3.5 years. In 2020, it was projected to be just 0.2 years, or 73 days (National Center for Biotechnology Information (NCBI)). Additionally, it is estimated that on average, over a million medical research papers are published annually. Patient data is growing at a rate of 153 exabytes annually (Health Data Archiver). Traditional methods of knowledge translation, such as teaching and training, are incapable of coping with this explosion of data. Care providers are faced with information and data overload, leading to both physician burnout and ultimately, impaired quality of care for patients. Technology presents the opportunity of democratizing information and data access while reducing overall strain on the entire healthcare system.

Politicians: Political priorities focus on quality of care, accessibility to care, and healthcare budgets. As we noted above, a substantially smaller percentage of physicians are living in rural areas compared with ~19% of the Canadian population (and a substantially larger share of voting leverage). Canadian healthcare costs are a significant concern given the stresses on fiscal budgets, which have been exacerbated by the COVID-19 pandemic. According to the CIHI, total health expenditures in Canada reached $265.5B or $7K per person in 2019, representing 11.5% of Canada's GDP.

Prior to the pandemic, The Conference Board of Canada conducted a study suggesting that total healthcare expenditures would increase at an average annual pace of 5.4% out to 2030-31. However, due to the pandemic representing a major cost driver, these numbers have been adjusted higher. In the short and medium-term, it has been suggested that the additional healthcare costs due to the pandemic will range from $20.1B to $26.9B in 2020 and between $15.7B and $21.9B in 2021. Over the longer term, it was estimated that healthcare spending will increase by $80B to $161B over the next 10 years, representing an average annual growth rate of between 5.5-5.7%. We expect that a considerable portion of the rising healthcare spend will be invested in updating legacy infrastructure systems and innovative technology in hopes of reducing future costs, increasing efficiencies, and providing improved care.

Health System Challenges: Global healthcare spending is projected to increase at an annual rate of 5.4% to approximately $15.3T by 2030 (Deloitte LLP, 2018). Of that, ~70% of total spending is on labour, some of which is related to inappropriate care or unnecessary care. The Organisation for Economic Co-operation and Development (OECD) suggests that 10% of hospital spending is to correct preventable medical mistakes, and a further 6% is lost to fraud and error. All in all, global waste in healthcare expenditures is estimated to be ~20% or $1.74T (OECD). These figures are added incentives for global governments, who are now collectively hyper-sensitive to healthcare quality due to the pandemic, to align interests in putting healthcare spending top of mind for the foreseeable future. Similar to what we have seen with internet and social media companies, and the secular growth tailwinds in that space, it would not surprise us to see a similar evolution in the healthcare technology space. We believe MCI is well-positioned to prosper in this environment.

Technology: The aligned interests of patients, physicians, and politicians is a key consideration of our bullish viewpoint. However, technology is the core to our bullish digital healthcare viewpoint. We include access/distribution and data

analytics as the key contributors to the ongoing healthcare transformation. COVID-19 has clearly moved the space ahead at a pace where the past year has seen patients, physicians, and politicians move forward at an unforeseen speed. Furthermore, capital markets and private equity investments in the space have fuelled a transformation in the ecosystem, including technology and clinic practices, where we see the digitalization of healthcare as an economic driver with long-lasting effects.

Reinventing healthcare models has been a daunting task. Technology as a central piece, with telehealth on the front end combined with sustainable infrastructure, interoperability solutions, and data sharing on the back end, make previously unfeasible models feasible. The global pandemic has created a once-in-a-lifetime opportunity to reinvent how healthcare should work.

Appendix Four: The Value of Healthcare Data

A large part of MCI's story going forward will surround its venture into unfamiliar territory while attempting to leverage and harness its vast trove of patient data. With advances in modern technology enabling such benefits as affordable, fast internet connections, low-cost data storage, artificial intelligence and machine learning, the value of data is similarly advancing at a breakneck pace. Among the largest, most valuable companies in the world, most of them possess massive treasure troves of data that they have successfully monetized along the way. While MCI is obviously not in the same stratosphere as these tech giants, its 30+ years serving patients in Canadian healthcare has netted it a sizeable library of patient data. There is also an argument that healthcare data is among the most valuable of all types of data. In a 2019 Global Security Report, Trustwave, a leading global cybersecurity company, suggested that healthcare data may be valued at up to $250 per record on the black market, compared to $5.40 for the next highest valued record (a credit card). Thus, it seems like a prudent exercise for investors to consider the unlocked value potential of a company such as MCI that has not generated any revenues from its data to date but is currently knocking at that door.

Ernst & Young Report: We reference a comprehensive 2019 report by one of the Big Four accounting firms, Ernst & Young (EY), that provides a framework to value healthcare data. EY looks at the UK's National Health Service (NHS), the single largest integrated healthcare provider in the world, in trying to quantify the value of their 55M patient records. They do so by using two primary approaches: 1) a market-based approach, calculating the implied "per record" valuation multiples of comparable data assets or valuation multiples of companies with significant patient data assets; and 2) an income-based approach, which quantifies value based on the economic benefit to be generated from the curated data set. To keep things relatively simple in attempting to use the framework in a back-of-the-envelope valuation for MCI's data, we focus on the first approach.

Value of Data Through a Qualitative Lens: Unlocking the power of healthcare data to improve patient care and outcomes is at the heart of today's healthcare revolution as it moves to personal, and in turn, precision care. This is only possible through the advanced technologies available today and achieved through real-world evidence found in patient medical records; the digitization of patient records has thus been a critical step toward innovation. When this data is curated into a single longitudinal data set, it creates a complete story of a patient's health, wellness, diagnosis, treatments, medical procedures, and outcomes. Unlocking insights from this data would be beneficial to all healthcare ecosystem stakeholders involved: patients, healthcare providers, payors, research institutes, pharmaceutical companies, and medical device manufacturers. Some of the many benefits would include:

- Deeper disease understanding;
- Treatment effectiveness and safety or pharmacovigilance;
- Increases in the quality of care, such as faster and early diagnosis;
- Observation of real-world patient outcomes and clinical pathway efficiency;
- Improved patient access to therapies;
- Evidence of cost-effectiveness and outcomes to inform value-based payments;
- Efficient target identification for new treatments and medicines;
- Clinical trial design for target populations and reduced time to market for new therapies;
- Operational and cost-effectiveness of healthcare delivery, and workforce planning;
- Enablement of personalised medicine — right treatments for the right patients;
- Socioeconomic impacts of health, wellness, and healthcare.

Factors that Impact Value: EY suggests that characteristics affecting the value of healthcare data can be categorized into four main pillars: nature, data quality, complexity of data capture, and the use/application.

Exhibit 31 – Characteristics Impacting the Value of a Data Set

Source: Ernst & Young

Value of Data Through a Quantitative Lens: As mentioned earlier, we will focus on the market-based approach in valuing healthcare data, as it is likely less challenged by complex assumptions. Before contemplating comparable market transactions and associated valuation multiples, it is important to distinguish between the different data subcategories. For example, is the data from primary care, secondary (specialist or episodic) care, or genomic profile? For reference, **MCI indicates it has ~1M primary care electronic records and ~1M episodic records**. After analysing dozens of transactions involving patient data, including both public and private companies, EY was able to observe a clear difference in value between EHR or EMR data in isolation versus genomic data – the former being of lower value. Interestingly, while genomic data is recognized by experts as a key component for future drug discovery and personalized medicine, the data is limited in isolation without longitudinal health and medical data. Given that these higher-value, linked forms of data (genomic combined with medical data) can be worth multiples of 10x+ EMR/EHR data, MCI could contemplate partnerships with companies possessing genomic data to unlock significantly higher values.

EY also finds a considerable range in values on the precedent transactions, given that most transactions involved additional assets or technologies as well. We highlight the following two precedent transactions tables from EY's analysis, which represent public transactions of primary care data and episodic (specialist) data, respectively (Exhibit 32).

Exhibit 32 – Precedent Transactions of Primary and Episodic (Specialty) Data (in £)

#	Company	Ticker	EV	# records	EV/record	Domain
GPCs w/assets that include access to EHR data			[1]	[2]		
1	Computer Programs and Systems, Inc.	NasdaqGS:CPSI	£373,769,930	18,000,000	£21	EHR
2	OptumInsight (UnitedHealth Subsidiary)	NYSE:UNH	£9,118,903,409	216,000,000	£42	EHR
3	Cerner Corporation	NasdaqGS:CERN	£13,336,402,955	100,000,000	£133	EHR
4	AllScripts Healthcare Solutions, Inc.	NasdaqGS:MDRX	£3,074,770,356	16,000,000	£192	EHR
5	athenahealth, Inc.	NasdaqGS:ATHN	£4,249,839,591	106,000,000	£40	EHR
6	NextGen Healthcare, Inc.	NasdaqGS:NXGN	£781,472,941	240,000,000	£3	EHR
7	Winning Health Technology Group	SZSE:300253	£2,321,668,843	n/a	n/a	EHR
8	CompuGroup Medical Societas Europaea	DB:COP	£2,085,836,362	n/a	n/a	EHR
9	B-SOFT Co.,Ltd.	SZSE:300451	£1,076,947,286	n/a	n/a	EHR
10	EMIS Group plc	AIM:EMIS	£548,698,594	40,000,000	£14	EHR
11	Medasys S.A.	ENXTPA:MED	£30,774,801	n/a	n/a	EHR
12	Pharmagest Interactive SA	ENXTPA:PHA	£673,709,001	135,000	£4,990	EHR
13	Alibaba Health Information Technology Limited	SEHK:241	£7,335,594,444	28,000,000	£262	EHR
14	Rayseach Laboratories	OM:RAY B	£300,776,801	n/a	n/a	EHR
	First quartile		£579,951,196	18,000,000	£21	
	Median		£1,581,391,824	40,000,000	£42	
	Third quartile		£3,956,072,282	106,000,000	£192	

	Company	Ticker	EV	# records	EV/record	Domain
GPCs w/assets that include access to episodes of care or transaction data			[1]	[2]		
1	IQVIA Holdings Inc.	NYSE:IQV	£26,030,825,543	530,000,000	£49	Episodic
2	Inovalon Holdings Inc.	NasdaqGS:INOV	£2,378,296,346	240,000,000	£10	Episodic
3	Medidata Solutions Inc.	NasdaqGS:MDSO	£3,067,675,815	3,800,000	£807	Episodic
4	Tabula Rasa HealthCare Inc.	NasdaqGM:TRHC	£1,040,371,508	n/a	n/a	Episodic
5	Veeva Systems Inc.	NYSE:VEEV	£9,408,263,746	n/a	n/a	Episodic
6	Guardant Health Inc.	NasdaqGS:GH	£2,756,527,429	70,000	£39,379	Episodic
7	Precipio Inc.	NasdaqCM:PRPO	£6,437,121	n/a	n/a	Episodic
8	Syneos Health Inc.	NasdaqGS:SYNH	£5,368,017,071	100,000,000	£54	Episodic
9	WuXi AppTec Co. Ltd.	SHSE:603259	£8,988,144,252	n/a	n/a	Episodic
10	Evolent Health Inc.	NYSE:EVH	£1,162,121,376	2,700,000	£430	Episodic
11	Inovalon Holdings Inc.	NasdaqGS:INOV	£2,378,296,346	240,000,000	£10	Episodic
12	Craneware plc	AIM:CRW	£614,529,127	n/a	n/a	Episodic
	First quartile		£1,131,683,909	3,250,000	£30	
	Median		£2,567,411,888	100,000,000	£54	
	Third quartile		£6,273,048,866	240,000,000	£619	

Source: Ernst & Young

Converting the (£)EV/record median multiples into Canadian dollars yields multiples of ~$72/record for primary care data, and $93/record for the episodic data. Given the above referenced 1M of primary care and 1M episodic records for MCI, this equates to roughly $72M and $93M of enterprise value, respectively, or ~$165M collectively. Given MCI's outstanding share count of ~47.0M, that would yield a per share value of ~$3.50 for MCI's patient data.

Appendix Five: Management and Board of Directors

A1. Executive Management and Board of Trustees

Name	Position	Description
Dr. Sven Grail	Co- Executive Chair & Board member	• 30+ years of experience in the healthcare industry. • Dr. Grail is both a co-founder of Altima Dental and one of the principles of MCI. Dr. Grail is a graduate of the Boston University (DMD, MBA) where he obtained his DMD as part of a dual-degree program along with his MBA. • Dr. Grail has been with MCI as the co-executive chair since 2013 and serves on the Board of Trustees.
Dr. George Christodoulou	Co-Executive Chair & Board member	• 30+ years of experience in the healthcare industry. • Dr. Christodoulou is both a co-founder of Altima Dental and one of the principles of MCI. He graduated form the University of Toronto's Dental School (DDS) and the Rotman School of Management (MBA). • Dr. Christodoulou has been with MCI as the co-executive chair since 2013 and a member of the Board of Trustees.
Dr. Alexander Dobranowski	Chief Executive Officer & Director	• 10+ years of specialized clinical and healthcare technology where most recently he has played a major role in the development and execution of virtual care platforms for two of the Canada's largest clinics networks. • He is a graduate of the McMaster Business School and the University of Tennessee prior obtaining his Bachelor of Medicine and Bachelor of Surgery (MBBS) from the University of Adelaide Medical School (Australia). • Previously Dr. Dobranowski co-founded and developed the technology for a data-driven diagnostic imaging artificial intelligence venture and has collaborated with several artificial intelligence healthcare initiatives.
G. Scott Nirenberski	Chief Financial Officer (CFO)	• +20 years of experience in the Capital Markets, including investing in the technology sector in the San Francisco Bay Area. • Prior to joining MCI, Mr. Nirenberski held the Chief Operating Officer position at Globalive Technology. • Mr. Nirenberski began his career in corporate finance and planning at Intel (INTC-Nasdaq, NR) and held equity research analyst roles with Montgomery Securities (Private), Deutsche Bank (DB-NYSE, NR) and Credit Suisse First Boston (Private). • He also ran technology research teams for multi-billion-dollar hedge funds Pequot Capital (Private) and Seasons Capital (Private). • He was the co-founder of Mosaic Asset Management (Private), a San Francisco based $280 million TMT hedge fund. • Mr. Nirenberski has a B.Sc. (Hon) from the University of Toronto, an MBA from Carnegie Mellon University, and is a CFA holder.
Madeline Walker	President & Chief Operating Officer (COO)	• Mrs. Walker has been responsible for all aspects of the operations of MCI Medical Clinics including its clinic network, telehealth, and privately insured offerings. • Previously, Mrs. Walker served as Chief Operating Officer for Greybrook Health and TLC Vison where she was responsible for the execution of the business strategies and day-to-day operations.

Source: Echelon Capital Markets, Company Filings

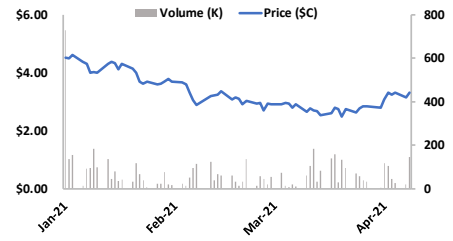
A2. Board of Directors & Advisors

Name	Position	Description
Kingsley Ward	Lead Director	• Mr. Ward was appointed as the Lead Director of the Board on December 29, 2020. • Mr. Ward is currently the Chairman of his family holding company The Vimy Ridge Group (Private). • He has held chairman and several board positions on public and private companies including, Chairman of Clarus Securities Inc. (Private), Chairman of Nucro Technics (Private); Chairman of DATA Communications Management Corporation's (DCM-TSX, NR), Chairman of Globalive Technology, and as a Director of Founders Advantage Capital (FCF-TSXV, NR). • He has also been actively involved in multiple philanthropic activities, including YPO (Young Presidents' Organization) since 1999, holding several executive positions.
Anthony Lacavera	Director	• Mr. Lacavera was appointed as the Director of the Board on December 29, 2020. • He is the Founder and Chairman of Globalive Capital, where he led the company in raising over $1.8B in private capital, and expanded Globalive Capital market share in the media and telecommunications industry with over 12 subsidiaries. • With investing in more than 100 companies since 1998, Globalive Capital currently has 45 companies in its venture portfolio. • Mr. Lacavera founded and led as CEO Wind Mobile, which became Canada's fourth largest wireless carrier before it was sold to Shaw Communications (SJR.B-TSX, NR) for approximately $1.6B in 2016. • Mr. Lacavera also serves on several boards and advisory groups and has contributed tremendously to educational programs including the University of Toronto Engineering School Hatchery, Creative Destruction Lab (CDL) and the DMZ at Ryerson University.
Bashar Al-Rehany	Director	• Mr. Al-Rehany joined MCI as the Director of the Board on December 29, 2020 • Mr. Al-Rehany is the CEO of Euromoney Institutional Investor plc Investment Research Division (IRD) (ERM.L-LSE, NR) which offers its products through BCA Research (BCA) and Ned Davis Group (NDR). • In 2006, following the acquisition of Metal Bulletin Plc (Private), BCA's parent company, Mr. Al-Rehany served as the CEO from 2003 to 2016. Under his leadership, BCA has become one of the leading independent macroeconomic investment research firms in the world. Furthermore, he restructured the investment division by integrating BCA Research and NDR infrastructure while realizing synergies. • Previously, Mr. Al-Rehany served in several executive roles including the CEO of Dow Jones Markets Canada (Private), Bridge Information Systems Canada (Private), and spent 13 years at Reuters plc (TRI.T-TSX, NR). • He holds a diploma in Mathematics & Computer Science from Teesside Polytechnic.
Dr. Robert Francis	Advisor	• He is the co-founder of ReGen Scientific and founder of Medcan (Private), a leader in innovation and personalized care with several corporate health service offerings. • With 30+ years of experience in the healthcare industry, Dr Francis built Medcan from 1987 into one of the strongest operating premium healthcare brands specializing in executive medical, corporate wellness, and concierge health services in Canada.

Source: Echelon Capital Markets, Company Filings

MCI Onehealth Technologies Inc. (DRDR-TSX C$3.32) - Data Sheet

Speculative Buy | PT: C$5.50



Company Description

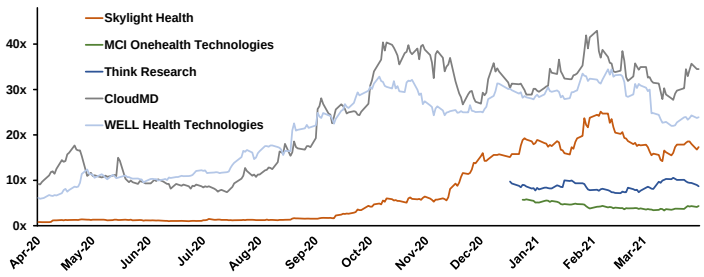
MCI Onehealth Technologies Inc. provides healthcare and healthcare related services to patients and the employees of corporate customers in Canada. The company provides its services through a network of 25 brick and mortar clinics, as well as through telehealth/virtual care consultations. The company was formerly known as MCI Brighthealth Technologies Inc. and changed its name to MCI Onehealth Technologies Inc. in December 2020. MCI Onehealth Technologies Inc. was incorporated in 2012 and is headquartered in Toronto, Canada.

Consensus	3M Ago	Current	Return
Rating:	n/a	Buy	
Target:	n/a	$5.00	51%
Median:	n/a	$5.00	51%
High:	n/a	$5.00	51%
Low:	n/a	$5.00	51%

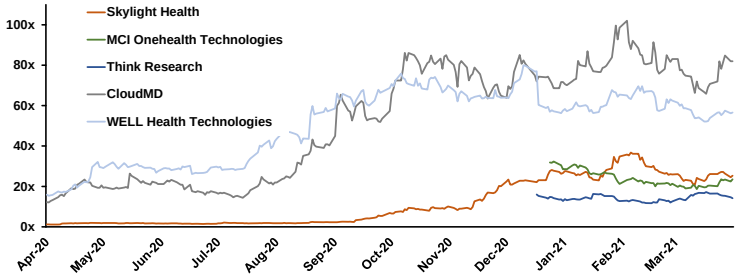
Consensus Distribution	
Sector Outperform/Buy	1
Sector Perform/Hold	0
Sector Underperform/Sell	0
# Est	1

Historical Valuations

Canadian Peers' Trailing EV/Revenue (LTM) Multiples



Canadian Peers' EV/Gross Profit (LTM) Multiples



Company Financials

Fiscal year/quarter	2017A	2018A	2019A	2020A	Q121E	Q221E	Q321E	Q421E	2021E	2022E	2023E
In $Ms except per share											
Revenue	**43,534**	**45,060**	**46,291**	**38,572**	**9,450**	**10,500**	**12,450**	**14,000**	**46,400**	**57,544**	**65,288**
Growth %	*n/a*	*3.5%*	*2.7%*	*(16.7%)*	*(9.5%)*	*43.6%*	*26.6%*	*27.5%*	*20.3%*	*24.0%*	*13.5%*
Consensus				**36,600**	**10,200**	**11,362**	**12,915**	**14,899**	**49,376**	**58,167**	**n/a**
Growth %				*(20.9%)*	*(2.3%)*	*55.4%*	*31.3%*	*35.7%*	*34.9%*	*17.8%*	*n/a*
Gross profit	**14,823**	**15,127**	**15,261**	**12,923**	**3,205**	**3,758**	**4,645**	**5,447**	**17,055**	**23,183**	**28,512**
Margin %	*34.0%*	*33.6%*	*33.0%*	*33.5%*	*33.9%*	*35.8%*	*37.3%*	*38.9%*	*36.8%*	*40.3%*	*43.7%*
Consensus				**13,249**	**3,754**	**4,318**	**5,063**	**5,870**	**19,010**	**23,558**	**n/a**
Margin %				*36.2%*	*36.8%*	*38.0%*	*39.2%*	*39.4%*	*38.5%*	*40.5%*	*n/a*
Adj. EBITDA	**3,505**	**3,472**	**3,774**	**2,204**	**(1,117)**	**(240)**	**(99)**	**250**	**(1,206)**	**1,588**	**5,369**
Growth %	*n/a*	*(0.9%)*	*8.7%*	*(41.6%)*	*(173.3%)*	*(122.5%)*	*(106.9%)*	*NM*	*(154.7%)*	*NM*	*238.0%*
Margin %	*8.1%*	*7.7%*	*8.2%*	*5.7%*	*(11.8%)*	*(2.3%)*	*(0.8%)*	*1.8%*	*(2.6%)*	*2.8%*	*8.2%*
Consensus				**3,700**	**(788)**	**(553)**	**12**	**398**	**(931)**	**1,169**	**n/a**
Growth %				*(2.0%)*	*(151.7%)*	*(151.8%)*	*(99.2%)*	*(121.9%)*	*(125.2%)*	*NM*	*n/a*
Margin %				*10.1%*	*(7.7%)*	*(4.9%)*	*0.1%*	*2.7%*	*(1.9%)*	*2.0%*	*n/a*
Capex	**382**	**192**	**122**	**85**	**26**	**29**	**35**	**39**	**130**	**161**	**183**
Intensity	*0.9%*	*0.4%*	*0.3%*	*0.2%*	*0.3%*	*0.3%*	*0.3%*	*0.3%*	*0.3%*	*0.3%*	*0.3%*
Net debt	**n/a**	**(615)**	**(911)**	**(771)**	**(25,604)**	**(23,851)**	**(23,135)**	**(22,325)**	**(22,325)**	**(20,899)**	**(22,923)**
Cash	**n/a**	**928**	**1,128**	**894**	**25,706**	**23,943**	**23,218**	**22,400**	**22,400**	**20,957**	**22,997**
EPS (FD)	**($0.00)**	**($0.01)**	**($0.00)**	**($0.03)**	**($0.04)**	**($0.02)**	**($0.02)**	**($0.01)**	**($0.10)**	**($0.04)**	**$0.03**
Consensus				**$0.01**	**($0.04)**	**($0.03)**	**($0.02)**	**($0.01)**	**($0.09)**	**($0.05)**	**n/a**
FCFPS (FD)	**$0.07**	**$0.09**	**$0.08**	**$0.11**	**($0.03)**	**($0.03)**	**($0.01)**	**($0.01)**	**($0.07)**	**$0.01**	**$0.08**

Key Statistics	
52-Week High:	$4.60
52-Week Low:	$2.49
Avg. Vol (000):	75.3
Shares Outstanding (M):	47.0
Market Cap ($M):	156.1
Net Debt ($M):	(23.9)
Enterprise Value ($M):	132.3
Div Yield:	0.0%
Fiscal Year End:	Dec-31
Employees:	340

Top Institutional Ownership	
PenderFund Capital Mngmt	0.9%
Edgehill Partners	0.3%
Total	1.2%

Canadian Peer Group

Company	Ticker / Exchange	Price	EV ($M)	2021 CY Revenue Growth	2021 CY EV / Revenue	2021 CY Gross Margin	2021 CY EV / Gross profit	2021 CY EBITDA Margin	2022 CY Revenue Growth	2022 CY EV / Revenue	2022 CY Gross Margin	2022 CY EV / Gross profit	2022 CY EBITDA Margin
Think Research Corporation	THNK-TSXV	$3.65	169.0	107.2%	4.2X	61.8%	6.8X	3.0%	24.9%	3.4X	64.4%	5.2X	9.2%
CloudMD Software & Services Inc.	DOC-TSXV	$2.15	401.8	516.5%	4.4X	41.1%	10.8X	3.4%	59.8%	2.8X	41.0%	6.8X	8.1%
Skylight Health Group Inc.	SHG-TSXV	$1.25	226.3	233.1%	5.1X	68.6%	7.4X	12.0%	30.6%	3.9X	69.3%	5.6X	13.0%
WELL Health Technologies Corp.	WELL-TSX	$7.71	1,200.8	338.5%	5.5X	47.5%	11.5X	19.7%	45.0%	3.8X	48.4%	7.8X	24.8%
MCI Onehealth Technologies Inc.	***DRDR-TSX***	***$3.32***	***167.0***	***28.0%***	***3.4X***	***38.5%***	***8.8X***	***(1.9%)***	***17.8%***	***2.9X***	***40.5%***	***7.1X***	***2.0%***
	Echelon DRDR Estimates		***127.1***	***20.3%***	***2.9X***	***36.8%***	***7.8X***	***32.0%***	***24.0%***	***2.3X***	***40.3%***	***5.7X***	***35.9%***
	Mean (ex. DRDR)		499.5	298.8%	4.8X	54.7%	9.1X	9.5%	40.1%	3.5X	55.8%	6.3X	13.8%
	Median (ex. DRDR)		314.0	285.8%	4.8X	54.6%	9.1X	7.7%	37.8%	3.6X	56.4%	6.2X	11.1%

Source: S&P Capital IQ, Echelon estimates

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ANALYST CERTIFICATION

Company: MCI Onehealth Technologies| DRDR:TSX

I, Rob Goff, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that I have not, am not, and will not receive, directly or indirectly, compensation in exchange for expressing the specific recommendations or views in this report.

IMPORTANT DISCLOSURES

Is this an issuer related or industry related publication?	Issuer
Does the Analyst or any member of the Analyst's household have a financial interest in the securities of the subject issuer? If Yes: 1) Is it a long or short position? No position; and, 2) What type of security is it? None	No
The name of any partner, director, officer, employee or agent of the Dealer Member who is an officer, director or employee of the issuer, or who serves in any advisory capacity to the issuer.	No
Does Echelon Wealth Partners Inc. or the Analyst have any actual material conflicts of interest with the issuer?	No
Does Echelon Wealth Partners Inc. and/or one or more entities affiliated with Echelon Wealth Partners Inc. beneficially own common shares (or any other class of common equity securities) of this issuer which constitutes more than 1% of the presently issued and outstanding shares of the issuer?	No
During the last 12 months, has Echelon Wealth Partners Inc. provided financial advice to and/or, either on its own or as a syndicate member, participated in a public offering, or private placement of securities of this issuer?	Yes
During the last 12 months, has Echelon Wealth Partners Inc. received compensation for having provided investment banking or related services to this Issuer?	Yes
Has the Analyst had an onsite visit with the Issuer within the last 12 months?	No
Has the Analyst or any Partner, Director or Officer been compensated for travel expenses incurred as a result of an onsite visit with the Issuer within the last 12 months?	No
Has the Analyst received any compensation from the subject company in the past 12 months?	No
Is Echelon Wealth Partners Inc. a market maker in the issuer's securities at the date of this report?	No

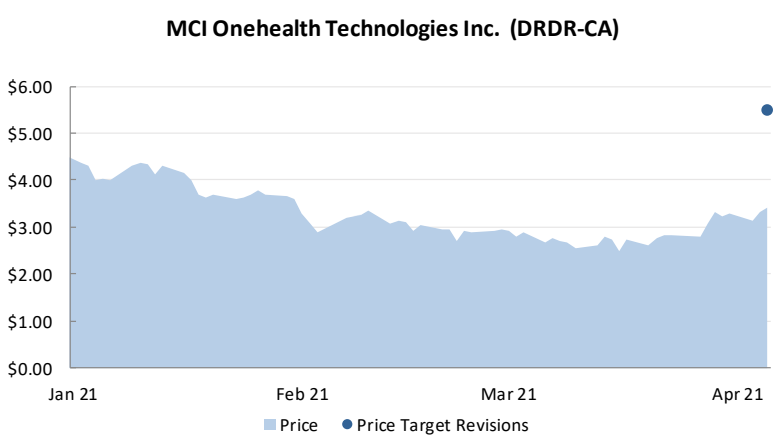
RATING DEFINITIONS

Buy	The security represents attractive relative value and is expected to appreciate significantly from the current price over the next 12 month time horizon.
Speculative Buy	The security is considered a BUY but in the analyst's opinion possesses certain operational and/or financial risks that are higher than average.
Hold	The security represents fair value and no material appreciation is expected over the next 12-18 month time horizon.
Sell	The security represents poor value and is expected to depreciate over the next 12 month time horizon.
Under Review	While not a rating, this designates the existing rating and/or forecasts are subject to specific review usually due to a material event or share price move.
Tender	Echelon Wealth Partners recommends that investors tender to an existing public offer for the securities in the absence of a superior competing offer.
Dropped Coverage	Applies to former coverage names where a current analyst has dropped coverage. Echelon Wealth Partners will provide notice to investors whenever coverage of an issuer is dropped.

RATINGS DISTRIBUTION

Recommendation Hierarchy	Buy	Speculative Buy	Hold	Sell	Under Review	Restricted	Tender
Number of recommendations	24	32	1	0	51	1	1
% of Total (excluding Restricted)	22%	30%	1%	0%	47%		
Number of investment banking relationships	10	22	0	0	15	1	0
% of Total (excluding Restricted)	21%	47%	0%	0%	32%		

PRICE CHART, RATING & PRICE TARGET HISTORY



Date	Target (C$)	Rating
14 Apr 2021	$5.50	Spec Buy

Coverage initiated: April 14, 2021.
Data sourced from: S&P Capital IQ

Toronto Wealth Management
1 Adelaide St East, Suite 2000
Toronto, ON M5C 2V9
416-572-5523

Toronto Capital Markets
1 Adelaide St East, Suite 2100
Toronto, Ontario M5C 2V9
416-572-5523

Montreal Wealth Management and Capital Markets
1000 De La Gauchetière St W., Suite 1130
Montréal, QC H3B 4W5
514-396-0333

Calgary Wealth Management
525 8th Ave SW, Suite 400
Calgary, AB T2P 1G1
403-218-3144

Calgary Wealth Management
123 9A St NE
Calgary, AB T2E 9C5
1-866-880-0818

Oakville Wealth Management
1275 North Service Road, Suite 612
Oakville, ON L6M 3G4
289-348-5936

Edmonton Wealth Management
8603 104 St NW
Edmonton, AB T6E 4G6
1-800-231-5087

London Wealth Management
235 North Centre Rd, Suite 302
London, ON N5X 4E7
519-858-2112

Ottawa Wealth Management
360 Albert St, Suite 800
Ottawa, ON K1R 7X7
613-907-0700

Vancouver Wealth Management and Capital Markets
1055 Dunsmuir St, Suite 3424, P.O. Box 49207
Vancouver, BC V7X 1K8
604-647-2888

Victoria Wealth Management
730 View St, Suite 210
Victoria, BC V8W 3Y7
250-412-4320

Saskatoon Wealth Management
402-261 First Avenue North
Saskatoon, SK S7K 1X2
306-667-2282