

LTE Partners Portfolio Company
Sebela Pharmaceuticals Acquires Braintree Labs
May 1, 2018

Transaction Highlights:

- *Transformational acquisition creating a market leader in gastroenterology (“GI”)*
- *Combination to generate pro forma 2018 Revenues of approximately \$250m*
- *Expands product portfolio and strengthens commercial infrastructure*
- *Rich near-term GI pipeline providing multiple product launches over the next three to four years*
- *Creates a platform for significant growth focusing on our core therapeutic areas of gastroenterology, dermatology and women’s health*

Sebela Pharmaceuticals (“Sebela”) today completed the acquisition of Braintree Laboratories Inc., (“Braintree”), a privately held specialty pharmaceutical company based in Braintree, Massachusetts. Braintree develops, manufactures and markets specialty pharmaceuticals in gastroenterology. Braintree’s market-leading colonoscopy prep franchise includes SUPREP[®], the #1 prescribed colon prep since 2013. In addition, Braintree has a dedicated commercial team with highly qualified field based sales personnel; in-house manufacturing and distribution facilities; a wealth of clinical, regulatory and product development expertise; and a rich near-term pipeline of GI products. The terms of the transaction are not being disclosed.

Alan Cooke, Sebela CEO, said: “The acquisition of Braintree is transformational for Sebela. It immediately propels the company into a market leading position in one of our core therapeutic areas of gastroenterology and leverages our investment in a number of key areas including our executive team, commercial organization and our near term development pipeline. The combined company, on a pro forma basis, is expected to generate approximately \$250m in 2018 revenue and creates a platform for significant growth focusing on our core therapeutic areas of gastroenterology, dermatology and women’s health.”

Alan added: “Baintree CEO, Harry P. Keegan IV, and his team have built a powerful, highly successful specialty brands business in the GI/colonoscopy prep market, including SUPREP[®], the market leading colon prep. We are confident that Baintree’s complementary capabilities will strengthen Sebela’s core competencies and together the combined company will provide a strong foundation to support multiple product launches from our rich pipeline of GI products over the next three to four years. I am delighted to welcome the Baintree employees to Sebela. Today marks the start of an exciting new chapter for everyone in the company and we look forward to the many opportunities and significant value this acquisition will create for all of our stakeholders.”

Harry P. Keegan IV, Baintree Laboratories CEO, said: “Baintree Laboratories has been developing products for colonoscopy preparation for many decades and introduced its first product to the market in 1986. Sebela’s acquisition of our company is a testament to the strength of the business we have built. I am very proud of our team for its continued hard work, dedication, and innovation in developing, manufacturing and marketing solutions for colonoscopy prescribers and patients. The Baintree and Sebela businesses together represent a great strategic fit and will be a stronger and more competitive organization positioned for significant growth. I wish Alan and the combined team every success for the future.”

Leadership and Organization

Sebela and Baintree will be combined under the parent company, Sebela Pharmaceuticals and will be led by Alan Cooke, Sebela’s CEO. Sebela’s and Baintree’s GI businesses will be merged into one. The combined GI businesses will operate under the Baintree GI brand serving the gastroenterology community. The dermatology and women’s health businesses will operate under the Sebela brand.

About Sebela: The Combined Company

- Leading specialty pharmaceutical company focused on three core therapeutic areas: gastroenterology, dermatology and women's health
- Market leader in GI, including #1 prescribed colon prep product Suprep[®]
 - Five marketed GI products
 - Rich near-term GI pipeline of products for diarrhea, constipation, and next generation colonoscopy preps providing multiple product launches over the next three to four years
- Dermatology business with three marketed products for the treatment of tinea pedis, onychomycosis and symptom relief for corticosteroid responsive dermatoses; one product in women's health for the treatment of hot flashes associated with menopause
- Experienced and expert executive management team
- Core competencies include sales, marketing, clinical, regulatory, product development, manufacturing and distribution
- Three sites: Roswell, Georgia; Braintree, Massachusetts; and Dublin, Ireland
- 320 total employees including 150 in Sales & Marketing, 105 in R&D, Manufacturing and Quality and 65 in Support functions
- 81 field based sales personnel in GI and 27 field based sales personnel in dermatology
- Platform for significant growth through additional in-licensing opportunities and further acquisitions within its three core therapeutic areas
- Opportunity to partner with pharma companies ex US and selectively in the US to market and distribute Sebela's portfolio of products.

Advisors

Leerink Partners LLC is acting as exclusive financial advisor and Burke Warren McKay and Serritella PC and Mayer Brown LLP are acting as legal advisors to Sebela. Chesnut Securities, Inc. is acting as exclusive financial advisor, and WilmerHale is acting as legal advisor, to Braintree.

About Colon Prep Market

There are approximately 15 million colonoscopies performed in the US annually and over 4,000 gastroenterologists serve the market. Continued market growth is expected due to the growth in the US population over the age of 50 and the increasing colon cancer awareness initiatives and new technologies.

Websites

www.sebelapharma.com

www.braintreelabs.com

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