



LAWRENCE, EVANS & CO., LLC

Investment Banking | Healthcare Finance | Consulting

Healthcare Deals and News – Week ending September 01, 2023

1. Patchrx, developer of a medication compliance management platform, raises \$8 million in series A funding led by Atento Capital.

Tulsa OK startup PatchRx has secured \$8 million in Series A funding, led by Atento Capital. The company offers a patented smart pill bottle cap that enhances medication adherence. PatchRx has expanded rapidly, growing from 10 to 80+ employees and raising a total of \$15 million. Their technology is deployed in over 40 clinics, addressing the issue of poor medication adherence, which leads to hospitalizations and deaths. They plan to expand beyond pain management into clinical trials and psychiatric markets, aiming to improve patient outcomes and healthcare effectiveness. ([Link](#))

2. Sanuwave health (OTCQB: SNWV), a wound-care healing platform, merges with SEP acquisition corp. (Nasdaq: SEPA) to enter Nasdaq market in \$127.5 million deal.

SANUWAVE Health Inc. (OTCQB: SNWV) is merging with SEP Acquisition Corp. (Nasdaq: SEPA) to create a Nasdaq-listed company focusing on wound care in the \$45 billion U.S. market. The merger is expected to provide about \$13.0 million in gross proceeds, with \$8.5 million already committed. Investors affiliated with Sweat Equity Partners and Mercury Life Sciences anchor the funding. SANUWAVE's FDA-approved UltraMIST® system, used in top medical centers, drives revenue through consumable sales. The combined company is valued at \$127.5 million, with SANUWAVE investors holding roughly 69.6% equity. The deal aims to close in Q4 2023, pending approvals. ([Link](#))

3. Spencer health, a health tech firm, raises \$43 million in series D funding for pharma services and health technology expansion.

Spencer Health Solutions, a health tech firm, has wrapped up its Series D funding round with an initial \$43 million and more expected later this year. The funding will convert debt to equity and support the company's growth in pharmaceutical partnerships, clinical trials, and home-based patient support services. Their spencer® medication dispensing technology has helped over 5,800 patients in the US, Canada, and Europe. This capital injection will aid their expansion in these markets, enhancing device capabilities, bolstering the team, and strengthening sales and marketing efforts, all aimed at improving patient care through pharmaceutical programs. ([Link](#))

4. Tapestryhealth, a telemedicine services & solutions provider, secures \$25m credit financing from Catalio Capital Management, an investment firm focused on healthcare and life sciences.

TapestryHealth, a multi-specialty healthcare firm leveraging radar technology and AI for patient care in skilled nursing facilities, has secured a \$25 million credit financing from Catalio Capital Management. The senior secured term loan includes an initial \$10 million with an option for an additional \$15 million. It will fund facility expansion and refinance existing debt, maturing in 2024. Catalio's structured capital solution supports TapestryHealth's remote monitoring and chronic care management expansion, while Catalio's Head of Credit, John Henry Lucker, joins the board as an observer. TapestryHealth aims to enhance patient care and change the dynamics of skilled nursing care using AI-powered insights. ([Link](#))

5. L Catterton, a consumer-focused investment firm, to acquire Thorne Healthtech (NASDAQ: THRN), a science-driven wellness company

Thorne HealthTech, Inc. (NASDAQ: THRN), a leader in personalized health and wellness solutions, has entered into a definitive agreement with L Catterton for a \$680 million acquisition. L Catterton will initiate a tender offer at \$10.20 per share in cash, representing a significant premium to Thorne's share price. Thorne's Special Committee and Board of Directors have unanimously approved the deal, with completion expected in Q4 2023. This acquisition aligns with Thorne's mission to provide science-based wellness solutions, and L Catterton's expertise positions Thorne for future growth in the health and wellness sector. ([Link](#))

6. Maryruth Organics, a Los Angeles-based wellness brand, explores \$1 billion sale with Houlihan Lokey and Mally collective advisory firms.

Los Angeles-based wellness brand, MaryRuth Organics LLC, is considering a sale that could value the health supplement maker at nearly \$1 billion, including debt. The company has enlisted advisory firms Houlihan Lokey and Mally Collective to assist in discussions with potential acquirers, which include private equity firms and strategic buyers. MaryRuth is expected to generate EBITDA of around \$50 million in revenue, exceeding \$250 million in 2023. Founded in 2014 by MaryRuth Ghiyam, the company offers vegan, non-GMO vitamins, minerals, and supplements, with a recent addition of entrepreneur Gary Vaynerchuk to its board. ([Link](#))

7. Travel Nurse Across America, a healthcare staffing provider acquires Stogo, a mobile based healthcare staffing platform.

Travel Nurse Across America (TNAA), has acquired Stogo, a San Antonio-based platform that addresses staffing shortages and scheduling challenges in the healthcare industry. Stogo's mobile app-based platform connects healthcare providers with qualified clinicians to fill

staffing gaps. TNAA, known for its workforce solutions, aims to enhance customer service and reduce labor costs with this acquisition. Stogo founders Heather Anderson and Patrick Halinski cited cultural alignment as a key factor. TNAA continues to expand its reach, serving over 3,300 Acute Care Hospitals nationwide. ([Link](#))

8. HRSA Awards Over \$80 Million to Rural Communities to Combat Opioid Epidemic

The U.S. Department of Health and Human Services' Health Resources and Services Administration (HRSA) is providing over \$80 million in funding to rural communities across 39 states to combat the opioid epidemic, with a focus on addressing the fentanyl and opioid overdose risk. These funds will support various initiatives, including distributing naloxone for overdose prevention, expanding treatment sites for opioid use disorder, enhancing access to behavioral health care for rural youth, and providing care for at-risk infants exposed to opioids. The goal is to address the unique challenges faced by rural communities in accessing treatment and recovery services, with a focus on saving lives and promoting recovery. ([Link](#))

9. HHS Proposes Minimum Staffing Standards to Enhance Safety and Quality in Nursing Homes

The U.S. Department of Health and Human Services (HHS) and the Centers for Medicare & Medicaid Services (CMS) have proposed a rule to establish comprehensive staffing standards for nursing homes. This includes national minimum nurse staffing requirements, aiming to enhance resident safety and care quality. The proposal mandates a minimum of 0.55 hours of care from a registered nurse and 2.45 hours of care from a nurse aide per resident daily. Additionally, it emphasizes transparency in worker compensation, a national campaign to support nursing home staffing, and increased audits, inspections, and oversight to ensure safe and dignified care for residents while addressing concerns like antipsychotic drug misuse and emergency preparedness. ([Link](#))