

Over the latest twelve months (LTM) the publicly traded Digital Health Stocks struggled

- Public Digital Health company valuations declined on average by 37% over the year
- Digital Health M&A deal count in Q1 2023 was 42% of the markets' peak activity in Q1 2022
- Digital Health Private Placements continue its downward trend in deal count over LTM
 - Albeit with a slight decrease from Q4 2022 to Q1 2023

General market backdrop — Q1 2023 results

- Global M&A markets declined in the number of deals ↓24% and \$ volume ↓~ 60%
- Across all sectors, deal counts for US M&A and Private Placement were down
- The IPO market continues to be dormant as an option

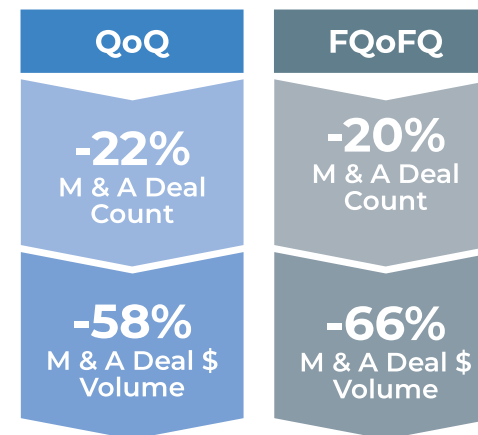
Shift in valuation multiples continues for most digital health businesses

- Prospect of down round funding looms likely for many startups who need near term capital
- Limited exit options is driving some early-stage firms to seek merger partners
- Many Buyers & VCs with dry powder are seeking acquisition/investment opportunities for:
 - Companies with market traction, positive cash flow, and healthy ARR growth
 - The rule of 40 is becoming in vogue again for growth capital investors

Source: Capital IQ as of March 31, 2023

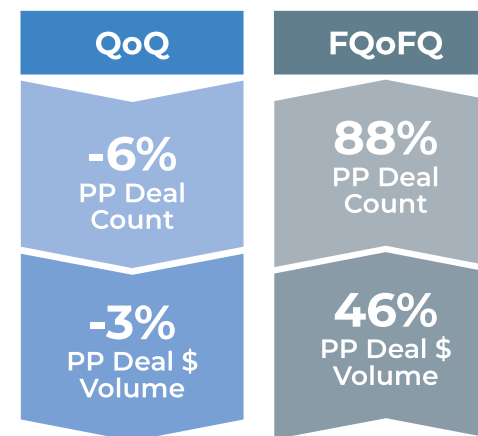
Global M&A deal activity across all sectors

	Deal Value (B)	Deal Count (#)
2020-Q1	616	11,854
2020-Q2	297	8,301
2020-Q3	412	7,900
2020-Q4	772	9,800
2021-Q1	690	9,926
2021-Q2	1,468	9,796
2021-Q3	360	3,934
2021-Q4	1,002	12,321
2022-Q1	829	9,561
2022-Q2	896	11,917
2022-Q3	291	5,468
2022-Q4	670	9,847
2023-Q1	281	7,671



Global Private Placement (PP) deal activity all sectors

	Deal Value (B)	Deal Count (#)
2020-Q1	159	9,096
2020-Q2	244	8,806
2020-Q3	170	7,300
2020-Q4	181	7,703
2021-Q1	255	8,793
2021-Q2	276	9,074
2021-Q3	140	5,529
2021-Q4	172	5,707
2022-Q1	107	4,226
2022-Q2	300	13,608
2022-Q3	83	4,532
2022-Q4	152	8,511
2023-Q1	156	7,965

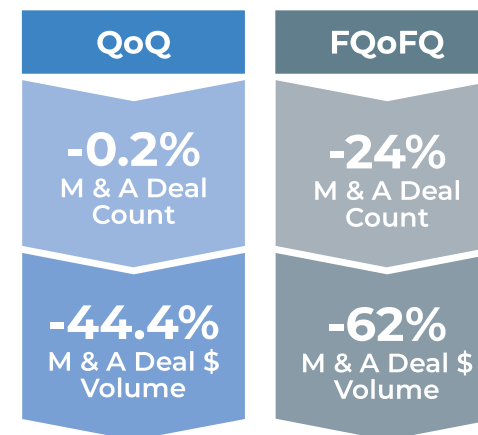


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Source: Capital IQ as of March 31, 2023

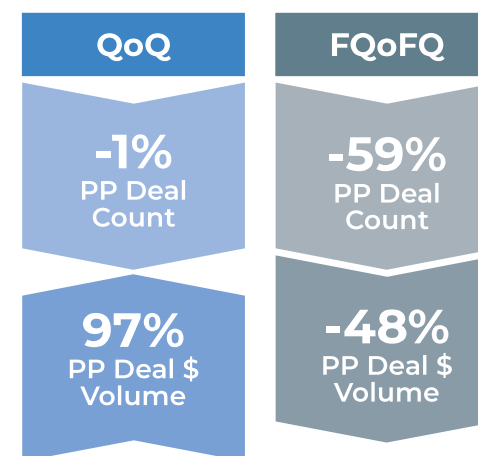
US M&A deal activity across all sectors

	Deal Value (B)	Deal Count (#)
2020-Q1	269	1,521
2020-Q2	329	2,854
2020-Q3	153	3,240
2020-Q4	412	4,396
2021-Q1	300	4,407
2021-Q2	408	4,433
2021-Q3	283	2,097
2021-Q4	722	6,158
2022-Q1	384	4,279
2022-Q2	414	5,025
2022-Q3	313	4,589
2022-Q4	261	3,241
2023-Q1	145	3,233



US Private Placement (PP) deal activity across sectors

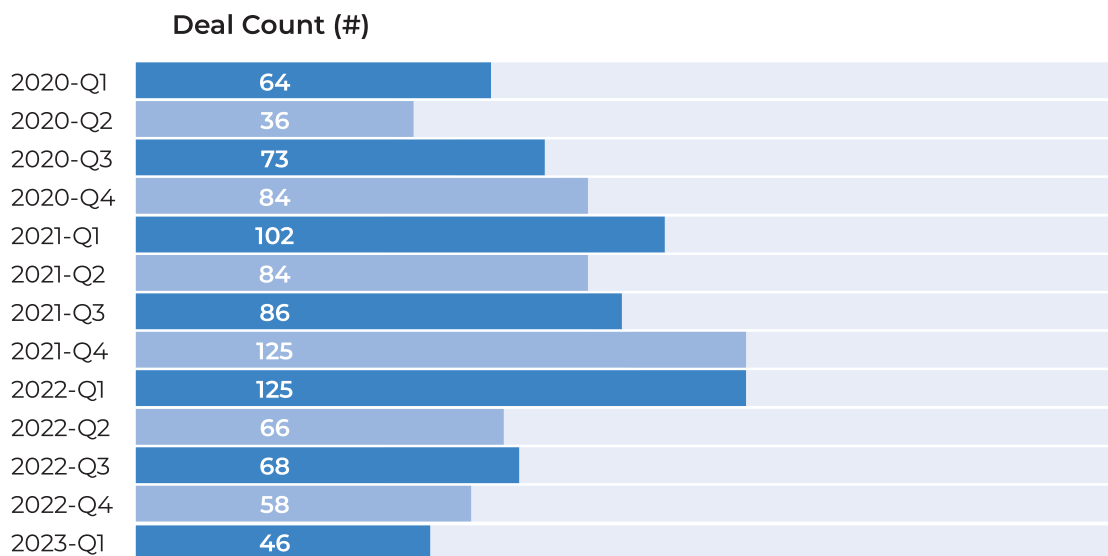
	Deal Value (B)	Deal Count (#)
2020-Q1	49	2,535
2020-Q2	57	3,100
2020-Q3	79	3,473
2020-Q4	70	3,640
2021-Q1	122	4,381
2021-Q2	117	4,291
2021-Q3	86	3,185
2021-Q4	96	3,253
2022-Q1	149	7,530
2022-Q2	102	6,349
2022-Q3	61	4,486
2022-Q4	39	3,095
2023-Q1	77	3,072



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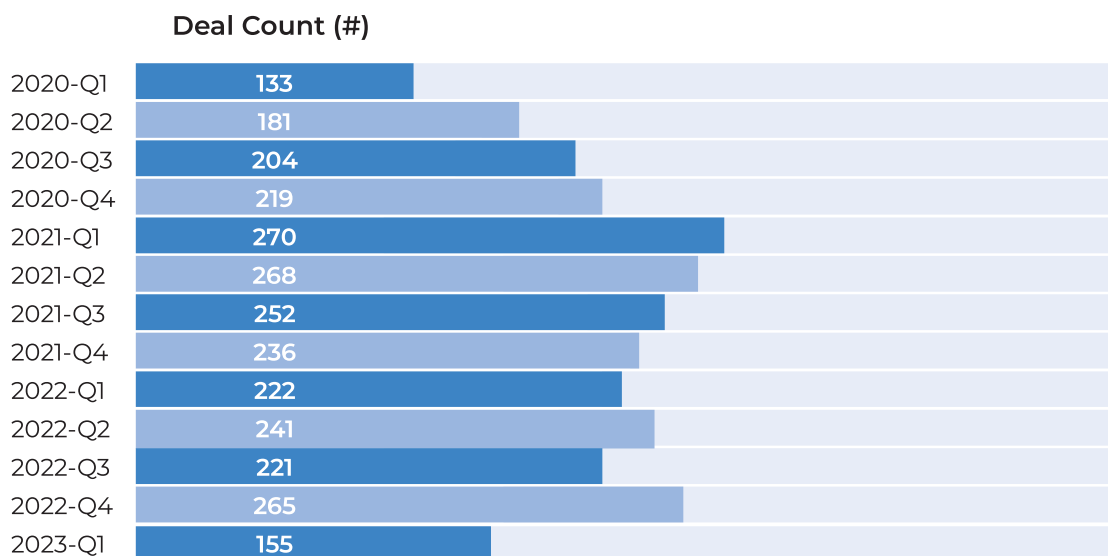
Source: Capital IQ as of March 31, 2023

US Digital Health M&A deal activity



The Productivity Solutions broad category was the most active area for acquisitions over the LTM accounting for 28% of YTD 2023 M&A deals

US Digital Health Private Placement (PP) deal activity

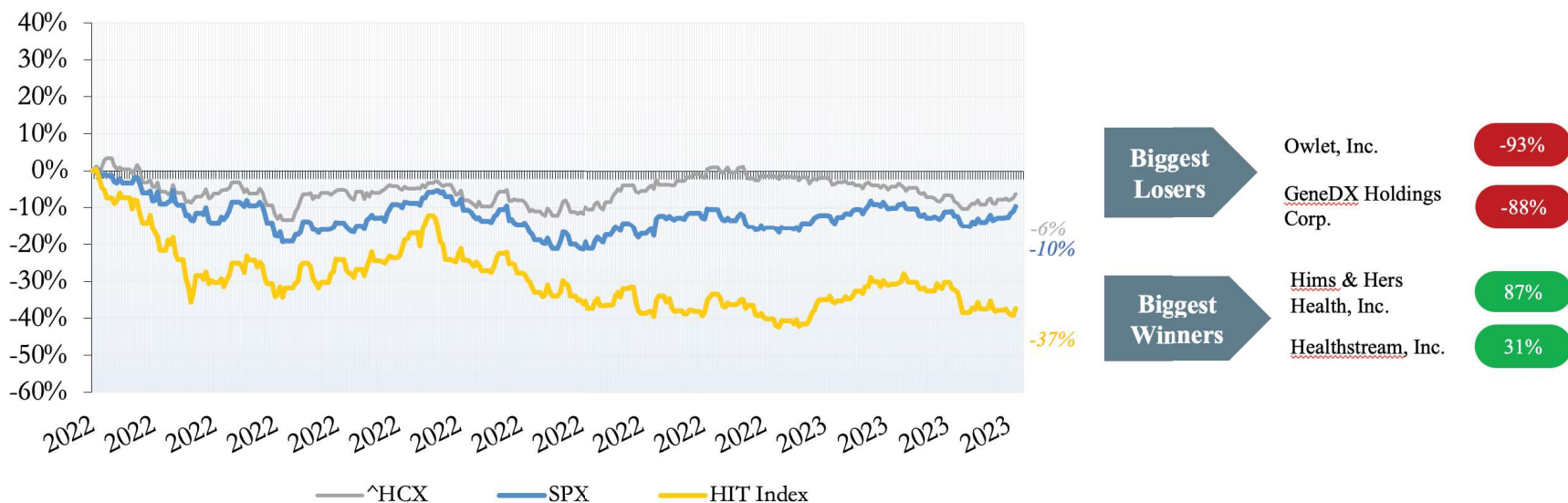


The Patient Centric broad category tied with Productivity Solutions to be the leading categories in deal activity for Q1 2023

Digital Health Index vs. S&P 500

The public market option remained difficult in Q1 as available capital dried up

- There were no IPO or SPAC deals in Q1 2023
- Virtually all Digital Health SPAC stocks continued to perform poorly in Q1 2023



- Novahill's Digital Health Public Comparable Index (HIT Index) lost 37% of its value compared to the S&P 500 Index's 10% loss over the latest 12-month period.
 - For YTD (March 31, 2023), relative performance of the HIT Index was down only 3.5% while the S&P 500 index went up 7.5% so some closing of the value differential.