

**For the latest twelve months (LTM) Novahill's Digital Health Sector stocks turned positive**

- On a LTM relative performance basis, Novahill's Digital Health public company stock index was ↑ 20% vs. the S&P 500 of ↑ 18%. For 6 months YTD, Digital Health ↑ 10% vs. S&P ↑ 17%
- Digital Health M&A Q2 2023 deal count moved slightly higher than the previous two quarters but Q2 '23 deal activity level is 44% of the markets' peak activity of Q1 2022
- Digital Health Private Placements continued at a steady level of activity over the last 3 quarters and matching activity levels of H1 2020 but 60% of peak deal activity in Q1 2021

**General market backdrop — LTM results**

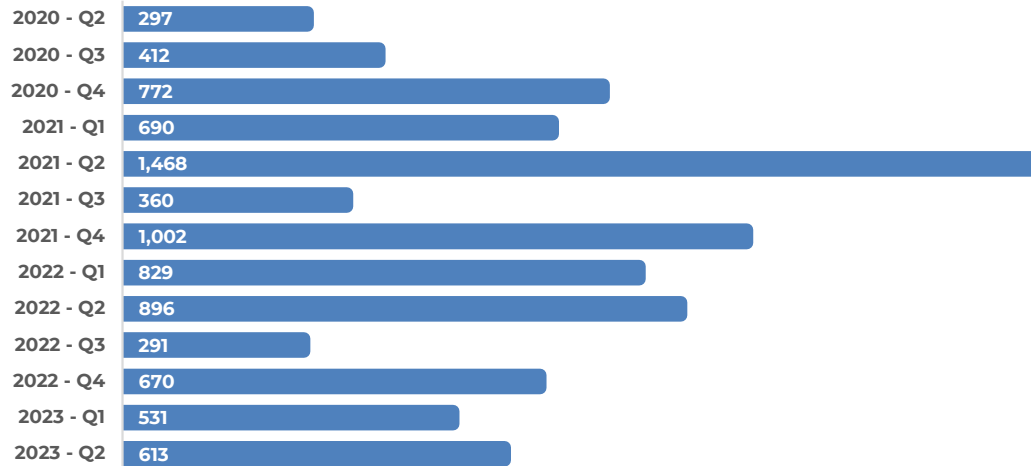
- The Global M&A and Private Placement markets declined on a YoY basis in the number of deals and \$ volume for both markets
- Likewise, in the US M&A and Private Placement markets for all sectors, YoY deal count and \$ volume declined for both markets
- The HIT IPO market continues to be dormant as a liquidity option for VC shareholders

**Valuations are rebounding with tech such as AI / VR garnering premiums**

- Funding, albeit in many cases with down round valuations from peak 2021 levels, has been available for high ARR growth startups. Debt ARR financing is becoming an option.
- Some merger activity is providing an exit opportunity for businesses that have not reached positive cash flow yet but at discounted prices for the target company.
- Expectations for first half of 2024 is for more favorable market conditions and valuation multiples closer to 2021 levels. AI capabilities today boost a company's valuation

### Global M&A deal activity across all sectors

Deal Value (B)



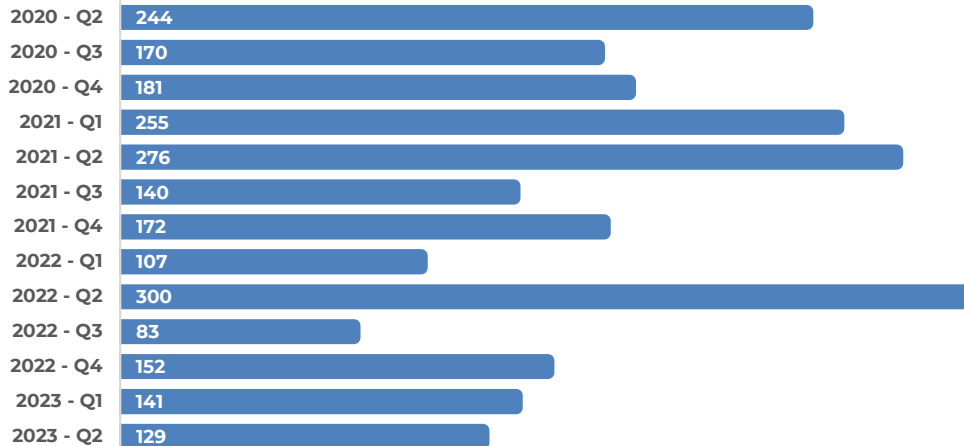
Deal Count (#)

8301
7900
9880
9926
9796
3934
12321
9561
11197
5468
9847
11063
9525



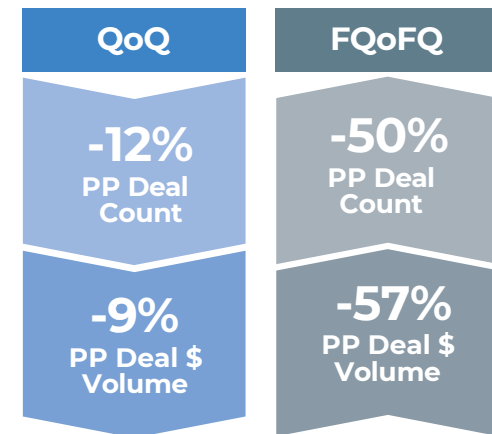
### Global Private Placement (PP) deal activity all sectors

Deal Value (B)



Deal Count (#)

8806
7300
7703
8793
9074
5529
5707
4226
13608
4532
8511
7719
6802

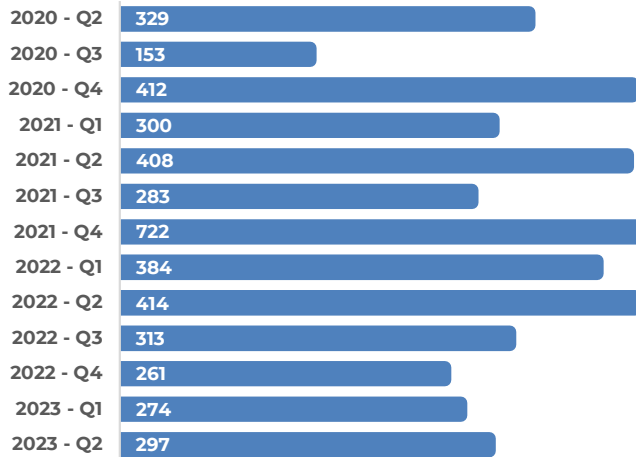


Source: Capital IQ as of June 30, 2023

Quarter over Quarter – Fiscal Quarter over Fiscal Quarter

### US M&A deal activity across all sectors

Deal Value (B)



Deal Count (#)

2854
3240
4396
4407
4433
2097
6158
4279
5025
4589
3241
4374
3762

QoQ

**-14%**  
M & A Deal  
Count

**+8%**  
M & A Deal \$  
Volume

FQoFQ

**-25%**  
M & A Deal  
Count

**-28%**  
M & A Deal \$  
Volume

### US Private Placement (PP) deal activity across sectors

Deal Value (B)



Deal Count (#)

3100
3483
3640
4381
4291
3185
3253
7530
6349
4486
3095
4750
4378

QoQ

**-8%**  
PP Deal  
Count

**-18%**  
PP Deal \$  
Volume

FQoFQ

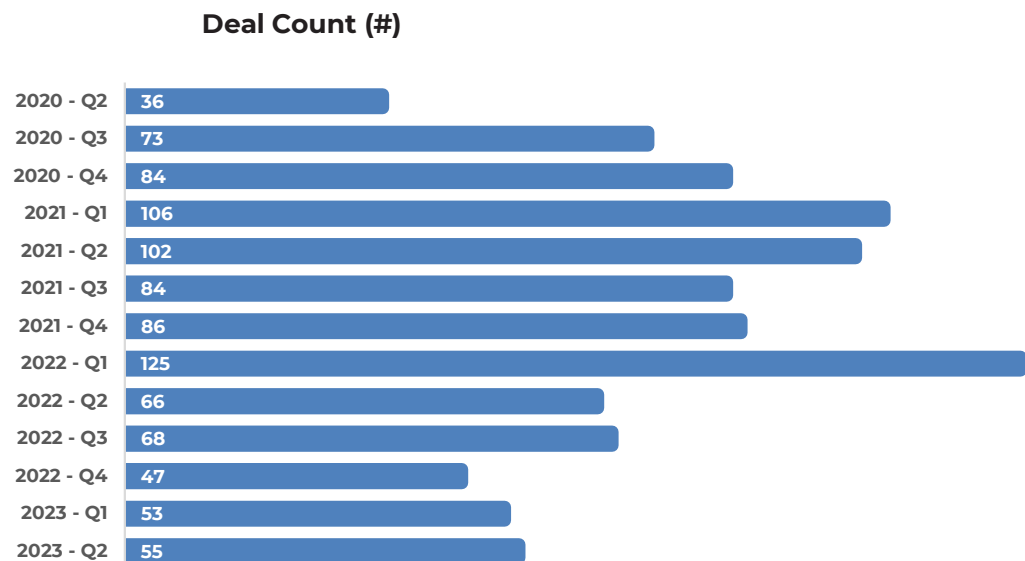
**-31%**  
PP Deal  
Count

**-43%**  
PP Deal \$  
Volume

Source: Capital IQ as of June 30, 2023

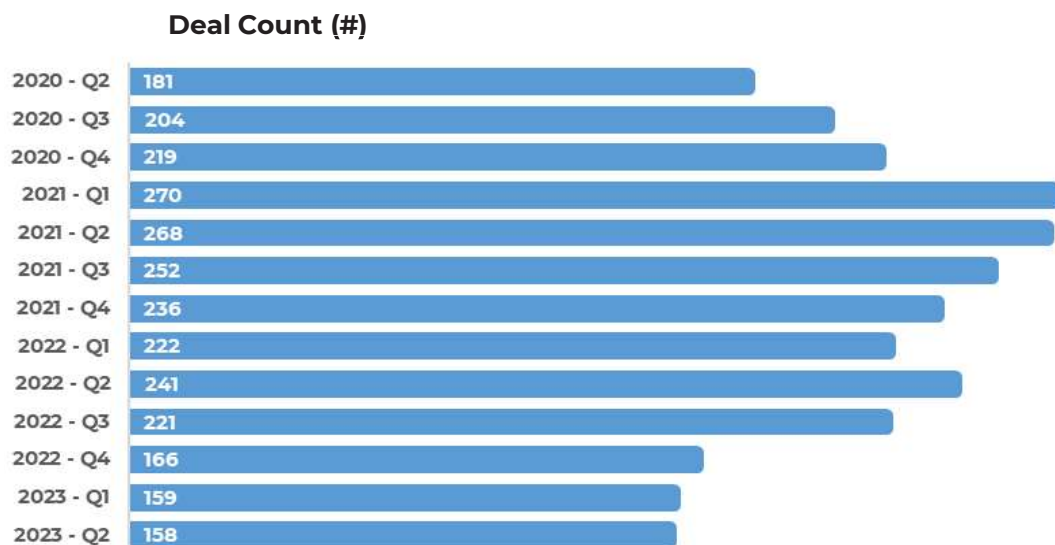
Quarter on Quarter – Fiscal Quarter on Fiscal Quarter

### US Digital Health M&A deal activity



The Productivity Solutions broad category was the most active area for acquisitions accounting for 31% of Q2 2023 M&A deals

### US Digital Health Private Placement (PP) deal activity



The Patient Centric broad category has been the most popular sector for investments with 47% of total Q2 2023 PP deal activity.

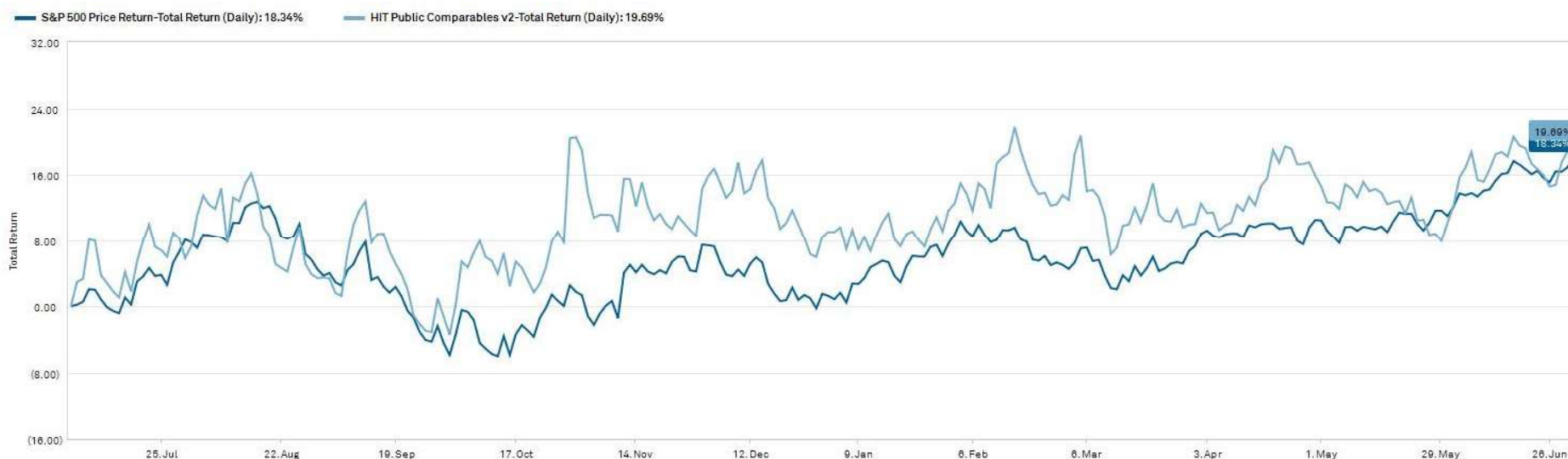
NHA’s defined Digital Health sector had total dollar volume in Q2 2023 of \$1.5 bil, ↓ from \$2.3 bil in Q1 2023

Source: Capital IQ as of June 30, 2023

### Digital Health Index vs. S&P 500

The public capital markets as an option remained challenging in Q2 2023

- There were no IPO or SPAC deals
- Virtually all Digital Health SPAC stocks continued to perform poorly in Q2 2023



- Novahill’s Digital Health Public Comparable Index (HIT Index) ↑ 19.7% in value vs. the S&P 500 Index’s ↑18.3% over LTM June 30, 2023. This is the first time in recent memory that the HIT index out-performed the S&P index
- June 2023 YTD relative performance shows a shift in the HIT stock performance vs. the S&P. Both yielding positive results but HIT ↑9.7% vs. S&P Index ↑16.9%

Source: Capital IQ as of June 30, 2023

Refer to page 8 for list of Companies in the HIT Index