

For the latest twelve months (LTM) Novahill's Digital Health Sector stocks were negative

- On a LTM relative performance basis, Novahill's Digital Health public company stock index was ↓ 23% vs. the S&P 500 of ↑ 22%. For 9 months YTD, Digital Health ↓11% vs. S&P ↑ 12%
- Digital Health M&A Q3 2023 deal count moved back up to transaction levels equivalent to Q2 2022 and shows signs of steady quarterly growth since the nadir of 47 deals in Q4 of 2022
- Digital Health Private Placements in Q3 also had a healthy jump in deal count with ↑ 11% over Q2 '23 and the most active Quarter in all of 2023, but still a far cry from the peak levels of H1 '21.

General market backdrop — LTM results

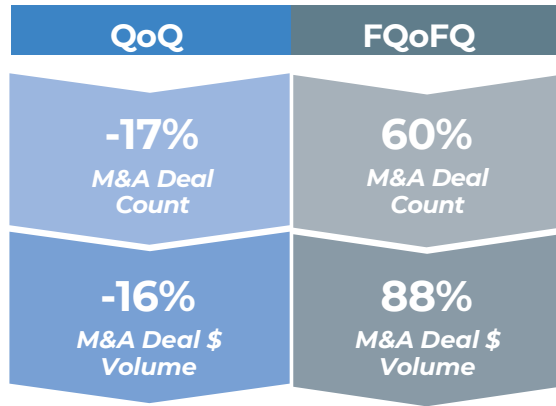
- The Global M&A and Private Placement markets were both ↓ ~17% on a QoQ basis but enjoyed unusual growth > 60% each on a YoY basis because of a weak Q3 in 2022
- The US M&A and Private Placement markets for all sectors, YoY deal count declined by 22% and 15% respectively while M&A \$ volume ↓ 8% but PP \$ volume ↑ 6%
- Q3 2023 continued the 2-year dry spell of no Digital Health IPOs but digital technology IPO deals of note were Instacart (its IPO's value was ↓75% from post money value of Q1 2021) & Klaviyo - a digital marketing company's IPO at only ↓2% from its July '22 post money value

Valuations are recovering slightly but technology such as AI / VR garner premiums

- Expectations for first half of 2024 is for more favorable deal market conditions and valuation multiples edging upwards. AI capabilities today boost a company's valuation
- Deal activity for Q3 2023 was strongest in the Healthcare Information Management / Workflow sector for the M&A market while Clinical Data Analytics sector was strongest in the Private Placements market (with HIM/Workflow in second place)
- Klaviyo, while not a pure Digital Health company, is an example of how its AI technology for digital marketing is held in high esteem by investors

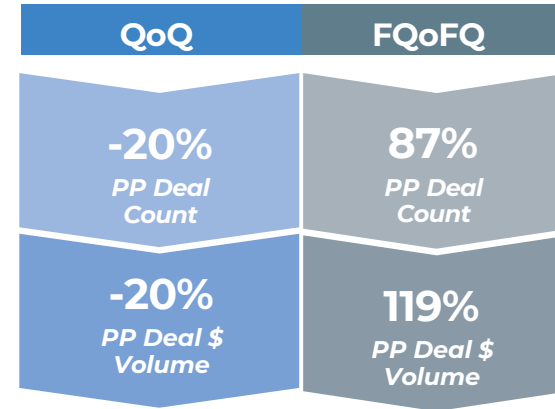
Source: Capital IQ as of September 30, 2023

Global M&A Activity (All Sectors)



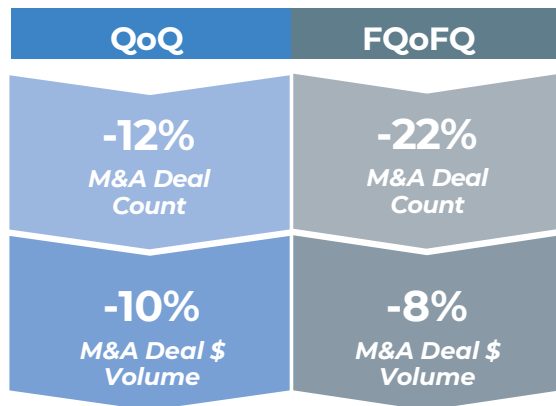
❖ Deal count (8,750) and Deal volume (~\$548B)

Global Private Placement Activity (All Sectors)



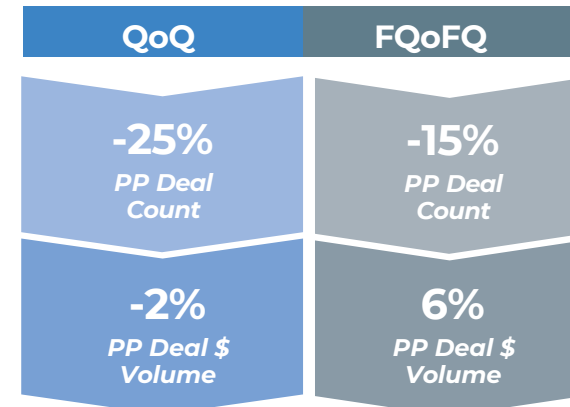
❖ Deal count (8,494) and Deal volume (~\$182B)

US M&A Activity (All Sectors)



❖ Deal count (3,562) and volume (~\$288B)

US Private Placement Activity (All Sectors)

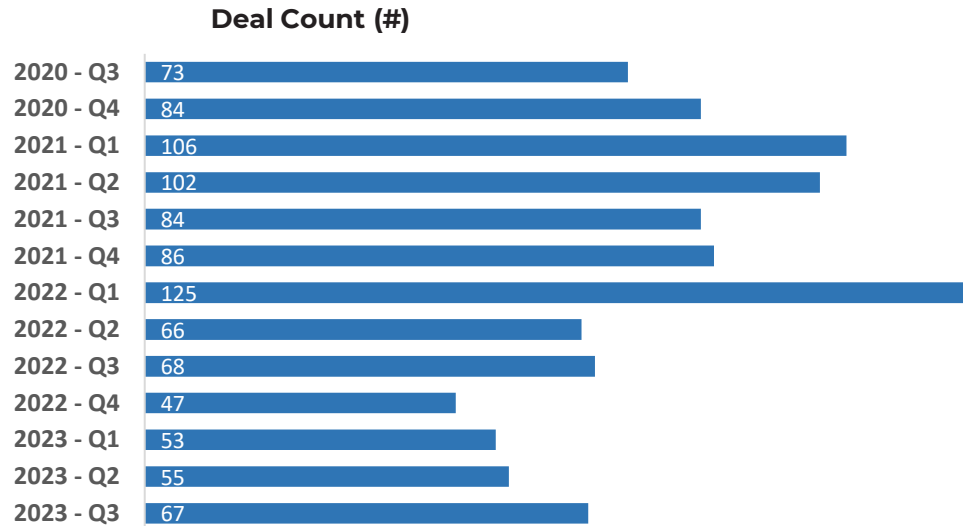


❖ Deal count (3,822) and Deal Volume (~\$65B).

❖ Deal count & volume numbers for Q3 2023

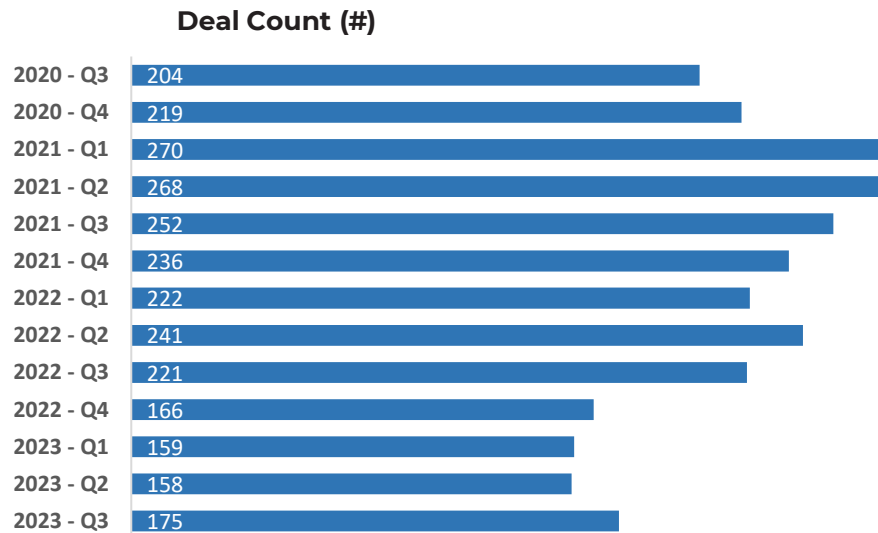
Quarter over Quarter – Fiscal Quarter Q3 '22 over Fiscal Quarter Q3 '23

US Digital Health M&A deal activity



The Spending and Revenue Analytics broad category was the most active area for acquisitions accounting for 25% of Q3 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 31% of total Q3 2023 PP deal activity.

NHA’s defined Digital Health sector had total dollar volume in Q3 2023 of \$1.3 billion, down slightly from \$1.5 billion in Q2 2023

Source: Capital IQ as of September 30, 2023