

For the first time since 2020 Novahill's Digital Health Small Cap Stock Sector Index outperformed the S&P 500 Index

- For 1st Half 2024, Digital Health stocks registering a $\uparrow 38\%$ in value vs. the S&P 500 Index $\uparrow 14.8\%$
- For the LTM, Digital Health and the S&P 500 stocks performed virtually the same, $\uparrow 23\%$
- There were two IPO in 1st Half 2024, breaking a year long drought
- Both IPOs, Waystar Holdings and Tempus AI, boast of AI capabilities and trade a 7x & 12x revenues respectively

Digital Health deal activity for 1st Half 2024 were down in M&A and slightly down in Private Placements

- M&A deal count was $\downarrow 24\%$ compared to 2nd Half of 2023 and $\downarrow 3\%$ on a YoY basis
- M&A \$ deal volume reached a recent high of ~\$17 Bil, thanks to one \$10.5 Bil transaction
- Private Placement activity was down $\downarrow 8\%$ compared to 2nd Half 2023 and $\downarrow 5\%$ for a YoY basis
- Private Placement \$ volume was ~\$4 Bil, a level slightly down from previous periods
- Digital Health Broad Sector leaders are Productivity Solutions in M&A and Patient Centric in Private Placements

Trends in the Digital Health Sector

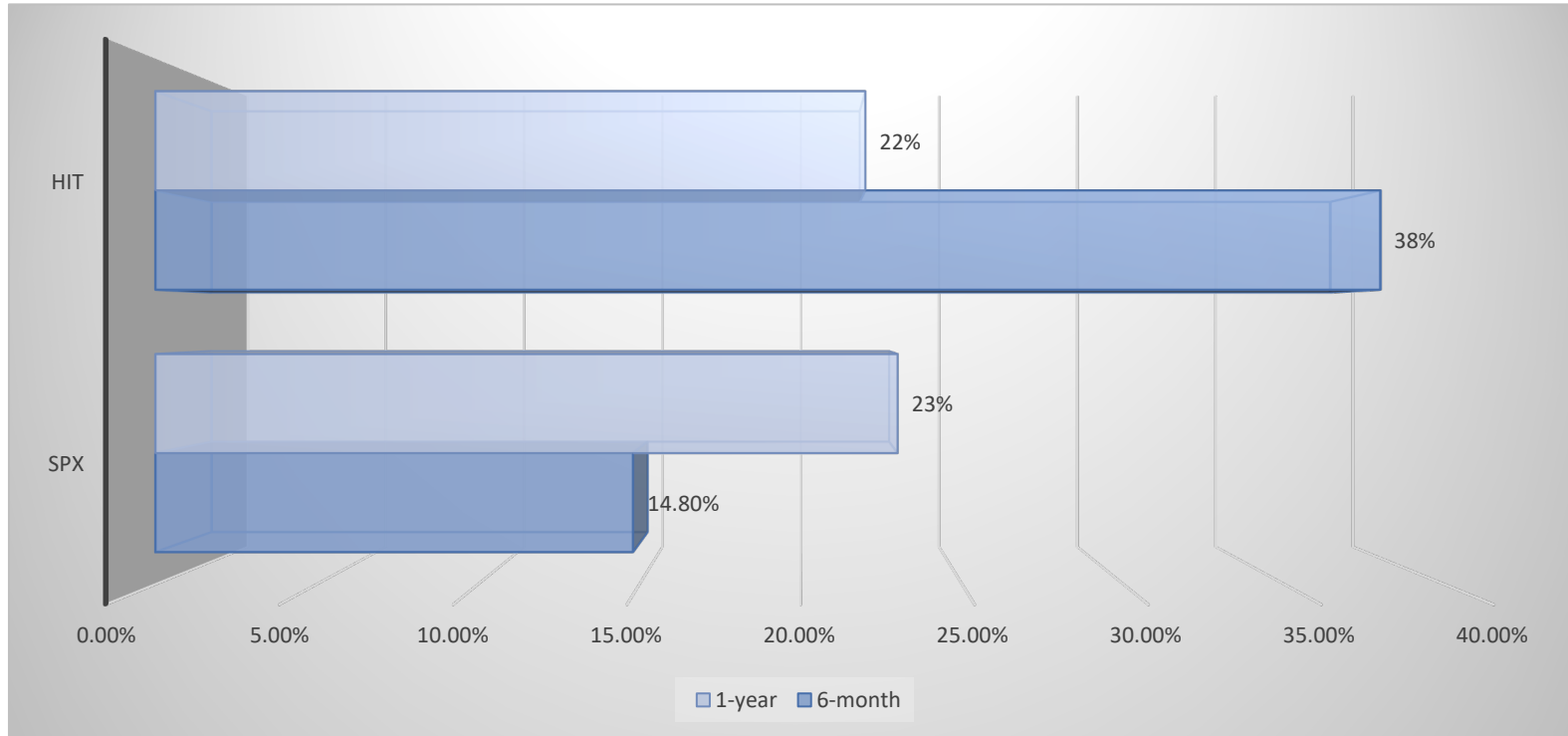
- AI clinical applications has high potential for patient benefits while providers are benefiting from AI imbedded in workflow technology
- Optimism for higher levels of M&A and Private Placement activity is once again resurfacing for the 2nd half of 2024 into 2025

Source: Capital IQ as of June 30, 2024

Selected Digital Health Micro to Small Cap Public Company Comparables

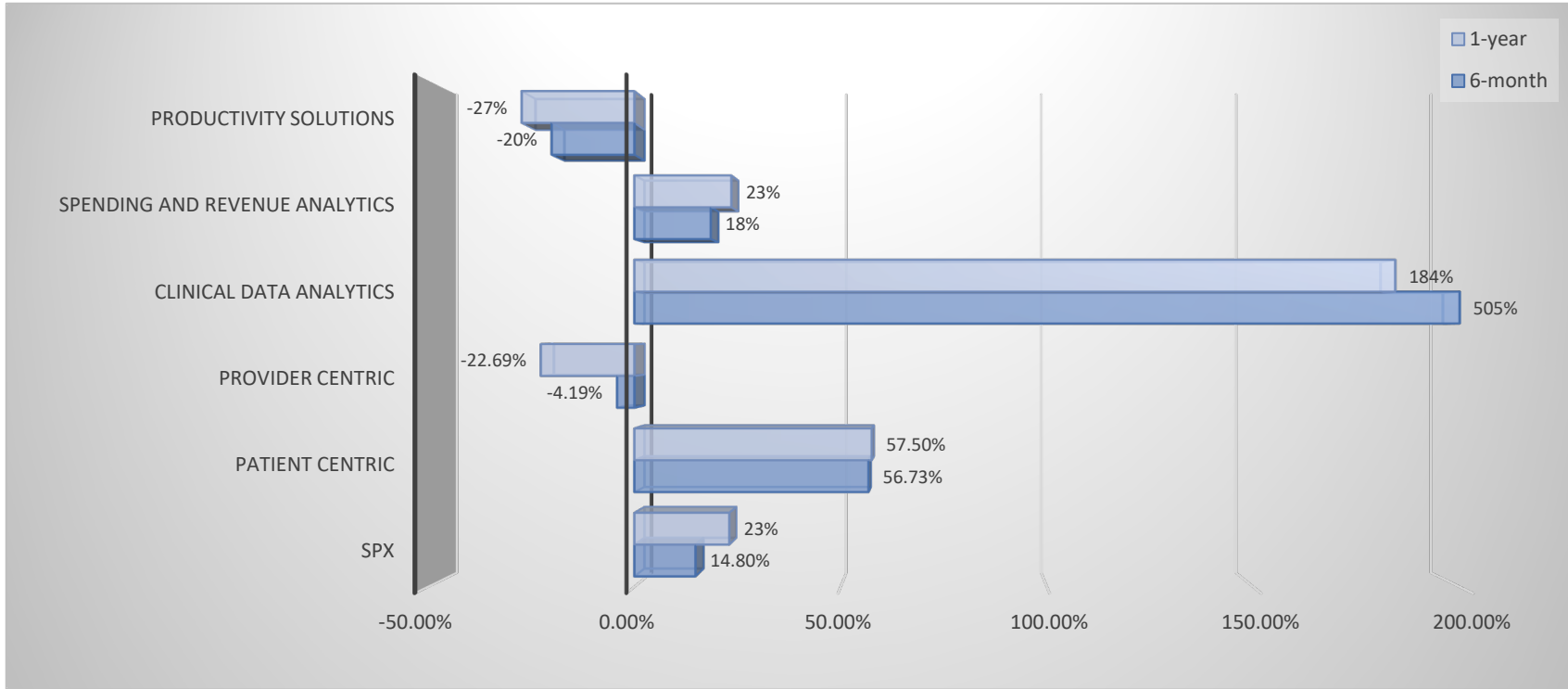
Micro to Small Cap Digital Health Stocks									
\$mm	Trading Multiples (LTM)					Margins (LTM)		Est. Revenue Growth	
Company Name	Market Cap	TEV	Revenue	TEV/Rev	TEV/EBITDA	GM	EBIT	1 Year	2 Years
<u>Patient Centric</u>									
Talkspace, Inc.	\$365	\$245	\$162	1.5x	NM	45.2%	(9.8%)	26.0%	21.9%
Teladoc, Inc.	\$1,565	\$2,058	\$2,619	0.8x	33.9x	70.8%	(8.6%)	2.2%	2.9%
American Well Corporation	\$90	\$193	\$255	0.8x	NM	34.5%	(101.8%)	1.0%	11.9%
GoodRx Holdings, Inc.	\$2,930	\$3,107	\$764	4.1x	36.3x	92.4%	7.7%	6.1%	7.8%
Hims & Hers Health, Inc.	\$4,401	\$4,209	\$959	4.4x	NM	92.4%	(0.5%)	42.2%	34.8%
Owlet Inc.	\$36	\$40	\$58	0.7x	NM	82.4%	(40.4%)	15.8%	17.2%
Sharecare, Inc.	\$503	\$470	\$420	1.1x	NM	43.4%	(31.7%)	12.7%	13.3%
		Mean:	748	1.9x	35.1x	65.9%	(26.4%)		
<u>Provider Centric</u>									
Veradigm Inc.	\$1,604	\$1,330	\$1,529	0.9x	4.4x	50.6%	4.7%	(59.0%)	(35.7%)
Trubridge Inc.	\$161	\$346	\$336	1.0x	35.6x	48.4%	(2.8%)	(0.8%)	3.2%
Doximity, Inc.	\$4,890	\$4,141	\$475	8.7x	22.9x	89.3%	36.3%	7.8%	8.4%
Butterfly Network, Inc.	\$209	\$121	\$68	1.8x	NM	26.5%	(176.4%)	15.8%	17.2%
		Mean:	602	3.1x	21x	53.7%	(34.6%)		
<u>Clinical Data Analytics</u>									
23andMe Holding Co.	\$208	\$68	\$220	0.3x	NM	45.2%	(131.4%)	7.5%	12.1%
Health Catalyst, Inc.	\$365	\$286	\$297	1.0x	NM	45.6%	84.2%	4.1%	7.8%
GeneDx Holdings Corp.	\$732	\$738	\$222	3.3x	NM	50.6%	(56.6%)	19.6%	16.8%
Tempus AI *	\$6,082	\$6,940	\$562	12.4x	NM	54.1%	(36.4%)	-	-
		Mean:	325	4.3x	NM	48.9%	(35.1%)		
<u>Spending and Revenue Analytics</u>									
HealthEquity, Inc.	\$7,271	\$8,003	\$1,043	7.7x	26.3x	63.4%	(13.9%)	17.2%	15.5%
Definitive Healthcare Corp.	\$631	\$931	\$256	3.6x	38.1x	86.0%	(11.3%)	2.7%	4.3%
Accolade, Inc.	\$284	\$294	\$432	0.7x	NM	47.5%	(24.0%)	12.7%	13.3%
Waystar Holding Corp *	\$3,600	\$5,875	\$825	7.0x	18.3x	67.8%	17.4%	-	-
		Mean:	639	4.8x	28x	66.2%	(8.0%)		
<u>Productivity Solutions</u>									
Evolent Health, Inc.	\$2,264	\$2,923	\$2,176	1.3x	21.4x	20.6%	1.2%	31.2%	22.9%
Healthstream Inc.	\$839	\$775	\$283	2.7x	18.2x	66.1%	6.7%	5.4%	5.4%
Omniceil, Inc.	\$1,229	\$1,332	\$1,103	1.2x	34.5x	42.6%	(2.8%)	(6.7%)	(5.0%)
Phreesia, Inc	\$1,177	\$1,115	\$374	3.0x	NM	66.0%	(30.3%)	18.0%	18.2%
Clover Health	\$621	\$417	\$2,059	0.2x	NM	14.2%	(6.4%)	(34.0%)	(17.5%)
		Mean:	1,199	1.7x	25	41.9%	(6.3%)		
Source: Capital IQ		Mean:	\$703	3.1x	27x				
As of: June 30, 2024	* Waystar IPO was 7 June 2024 and Tempus AI was on 14 June 2024								

1st Half & LTM 2024 Relative Performance of the Digital Health Index vs. S&P 500 index



- The Digital Health Index outperformed the S&P 500 for the first time since 2020.
- June YTD 2024 Digital Health Small Cap Index \uparrow 38% in value vs. the S&P 500 Index \uparrow 14.8%
- On a LTM basis the Digital Health Index performed virtually the same as the S&P 500
- The market for initial public offerings finally begins to thaw:
 - **2 Digital Health IPO**, Waystar Holdings and Tempus AI, both in June 2024

1st Half '24 Relative Performance; S&P ↑14.8%, Patient Centric ↑56.7%, Clinical Data ↑505%



HIT Index

Patient Centric:

American Well Corp. (NYSE: AMWL)
 GoodRx Holdings (NasdaqGS: GDRX)
 Hims & Hers Health, Inc. (NYSE: HIMS)
 Talkspace, Inc. (NasdaqGS: TALK)
 Teladoc, Inc. (NYSE: TDOC)
 Owlet Inc. (NYSE: OWLT)
 Sharecare, Inc. (NasdaqGS: SHCR)

Provider Centric:

Veradigm Inc. (NasdaqGS: MDRX)
 TruBridge, Inc. (NasdaqGS: TBRC)
 Doximity, Inc. (NYSE: DOCS)
 Butterfly Network (NYSE: BFLY)

Clinical Data Analytics:

Health Catalyst, Inc. (NasdaqGS: HCAT)
 23andMe Holding Co. (NasdaqGS: ME)
 GeneDx Holdings Corp. (NasdaqGS: WGS)
 Tempus AI, Inc. (NasdaqGS: TEM)

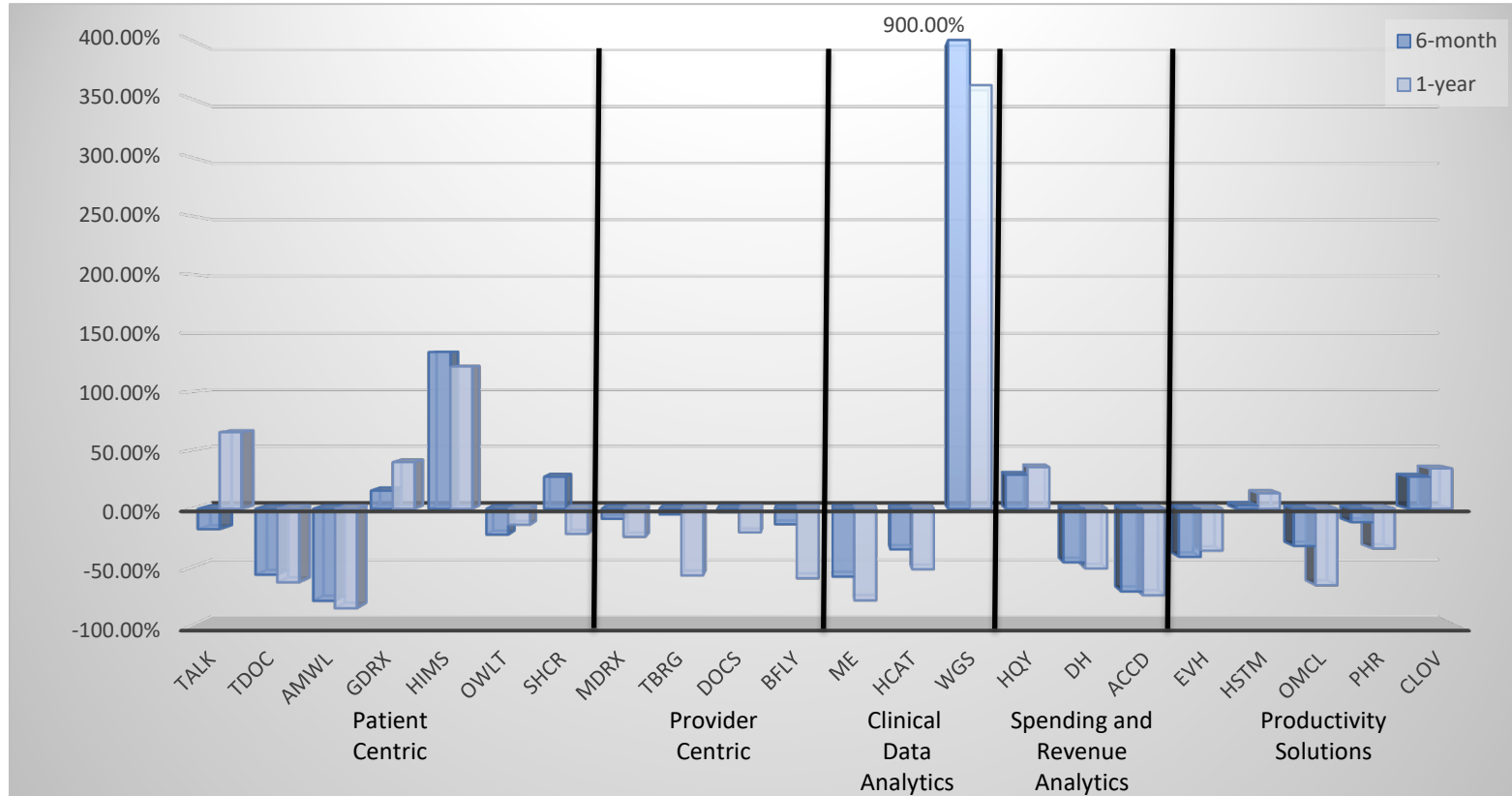
Spending & Revenue Analytics:

Accolade, Inc. (NasdaqGS: ACCD)
 HealthEquity, Inc. (NasdaqGS: HQY)
 Definitive Healthcare Corp. (NasdaqGS: DH)
 Waystar Holdings Corp (NasdaqGS: WAY)

Productivity Solutions:

Clover Health (NasdaqGS: CLOV)
 Evolent, Inc. (NYSE: EVH)
 Healthstream, Inc. (NasdaqGS: HSTM)
 Omnicell, Inc. (NasdaqGS: OMCL)
 Phreesia, Inc (NYSE: PHR)

1st Half '24 Segmented Sub-Sector Relative Performance 2024; HIMS ↑133.8%, WGS ↑900%



Digital Health Index positive performance was driven by just a few stocks. Namely,

- GeneDX's (WGS) led sector gains, surging 900% in the 1st Half of 2024 and ↑360% over the LTM due to a shift towards high-margin, AI driven genomic services.
- Hims & Hers Health stock has grown by over 100% on a LTM and given the size of its market cap the stock also has an important impact on the HIT index performance.