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Part One

Digital Health Sector Overview
Full Year 2024



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

- For Full Year (FY) 2024, Digital Health stocks grew ↑19% compared to the S&P 500 Index ↑23%
- There were two IPOs in Q2 2024, 3 in Q3 and 4 in Q4 for a recent record of 9 IPOs in a year
- IPOs Waystar Holdings, Tempus AI and CeriBell all boast of AI capabilities and trade between 8x to 14x revenues
- The broad sub-sector of Provider Centric stocks outperformed the rest of the Digital Health stocks by ↑ 58% over 2024 & Productivity Solution stocks were the laggard, declining ↓ 10%.

Digital Health deal activity for 2nd Half 2024 was flat in M&A and dramatically down in Private Placements

- The M&A H2 2024 deal count of 110 was slightly up compared to H1's level. FY 2024 deal count was ↓ 13% compared to FY 2023 and ↓ 43% compared to the peak M&A year of 2022.
- M&A \$ deal volume in H2 2024 reached ~\$10 Bil, thanks to two \$2+ Bil and two \$1+ Bil deals
- Private Placement activity was dramatically down ↓29% compared to H1 2024 and the lowest level of deal activity over a six-month period since 2016
- Private Placement \$ volume was ~\$2 Bil, about half of H1 deal \$ volume
- The most active Digital Health Broad Sector for M&A was the first-time leader Clinical Data Analytics and the repeat leader in Private Placements was Patient Centric companies

Trends in the Digital Health Sector

- Optimism for higher levels of M&A and Private Placement activity is once again resurfacing for 2025 despite a lackluster 2024, particularly if a company has a viable AI offering.

Source: Capital IQ as of June 30, 2024

Selected Digital Health 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
Patient Centric									
Talkspace, Inc.	\$544	\$423	\$181	2.0x	NM	49.6%	(15.5%)	23.5%	22.1%
Teladoc, Inc.	\$1,639	\$5,106	\$2,590	1.5x	31.5x	57.8%	(8.1%)	(1.0%)	1.9%
American Well Corporation	\$115	\$444	\$254	0.3x	NM	24.4%	(97.0%)	24.2%	8.5%
GoodRx Holdings, Inc.	\$1,696	\$3,322	\$790	3.5x	21.9x	76.7%	1.8%	4.3%	7.4%
Hims & Hers Health, Inc.	\$5,818	\$1,878	\$1,242	1.9x	NM	82.0%	(3.0%)	37.7%	16.7%
Owlet Inc.	\$73	\$68	\$79	1.0x	NM	41.8%	(53.0%)	20.1%	22.2%
Guardian Pharmacy Services, Inc.	\$1,253	\$1,290	\$1,120	1.1x	NM	19.9%	3.9%	NM	NM
Concentra Group Holdings Parent, Inc.	\$2,496	\$4,310	\$1,880	2.3x	11.9x	23.9%	15.6%	NM	6.0%
Mean:	1,704	2,105	1,017	1.7x	21.8x	47.0%	(19.4%)	18.1%	12.1%
Provider Centric									
Veradigm Inc.	\$981	\$2,612	\$837	1.7x	9.4x	39.7%	5.9%	NM	NM
Trubridge Inc.	\$308	\$361	\$338	1.1x	8.1x	40.4%	5.3%	6.0%	NM
Doximity, Inc.	\$10,309	\$5,020	\$517	9.0x	23.3x	89.3%	36.3%	10.9%	10.0%
Butterfly Network, Inc.	\$865	\$223	\$76	1.4x	NM	25.6%	(218.2%)	18.1%	NM
Pheton Holdings Ltd.	\$60	\$60	\$0.57	105.2x	NM	74.9%	(48.8%)	NM	NM
Ardent Health Partners, Inc.	\$2,375	\$4,060	\$5,710	0.7x	10.1x	53.3%	4.0%	NM	6.0%
Mean:	2,483	2,056	1,246	19.8x	12.7x	53.9%	-35.9%	11.7%	8.0%
Clinical Data Analytics									
23andMe Holding Co.	\$91	\$257	\$193	0.2x	NM	97.2%	(95.4%)	NM	NM
Health Catalyst, Inc.	\$451	\$756	\$302	1.5x	NM	31.3%	(29.4%)	11.0%	NM
GeneDx Holdings Corp.	\$2,174	\$144	\$266	0.1x	NM	44.4%	(80.8%)	16.7%	NM
Tempus AI	\$6,022	\$6,030	\$640	9.4x	NM	53.8%	(36.9%)	NM	30.1%
Ceribell, Inc.	\$870	\$878	\$60	14.6x	NM	84.4%	(66.4%)	NM	30.8%
Mean:	1,922	1,797	350	2.8x	NM	56.7%	-60.6%	13.8%	30.1%
Spending and Revenue Analytics									
HealthEquity, Inc.	\$8,447	\$7,384	\$1,150	7.0x	24.8x	53.0%	12.8%	9.0%	11.3%
Definitive Healthcare Corp.	\$676	\$2,133	\$256	7.3x	47.1x	65.6%	(10.4%)	(3.9%)	NM
Accolade, Inc.	\$277	\$1,002	\$441	1.9x	NM	35.6%	(27.2%)	12.2%	12.8%
Waystar Holding Corp	\$6,364	\$7,050	\$906	8.3x	24.9x	46.1%	18.0%	NM	9.8%
Health In Tech, Inc.	\$233	\$15	\$0.31	47.8x	NM	88.0%	17.7%	NM	NM
Mean:	3,199	4,393	688	6.1x	32.3x	50.1%	-1.7%	5.8%	11.3%
Productivity Solutions									
Evolent Health, Inc.	\$1,385	\$4,516	\$2,464	2.2x	26.2x	17.2%	1.6%	15.2%	14.0%
Healthstream Inc.	\$974	\$819	\$288	2.7x	10.9x	51.2%	5.7%	5.1%	6.7%
Omniceil, Inc.	\$2,099	\$2,271	\$1,064	1.6x	26.2x	43.6%	(1.7%)	5.6%	4.8%
Phreesia, Inc.	\$1,523	\$1,429	\$405	3.8x	NM	56.9%	(38.3%)	14.0%	11.9%
Clover Health	\$1,649	\$462	\$1,544	0.1x	NM	100.0%	(9.0%)	14.4%	16.9%
Mean:	1,526	1,899	1,153	2.1x	21.1x	53.8%	(8.3%)	10.9%	10.9%
Source: Capital IQ		Mean:	\$891	6.5x	22.0x	52.3%	-25.2%	12.1%	14.5%
As of: January 5 2024									

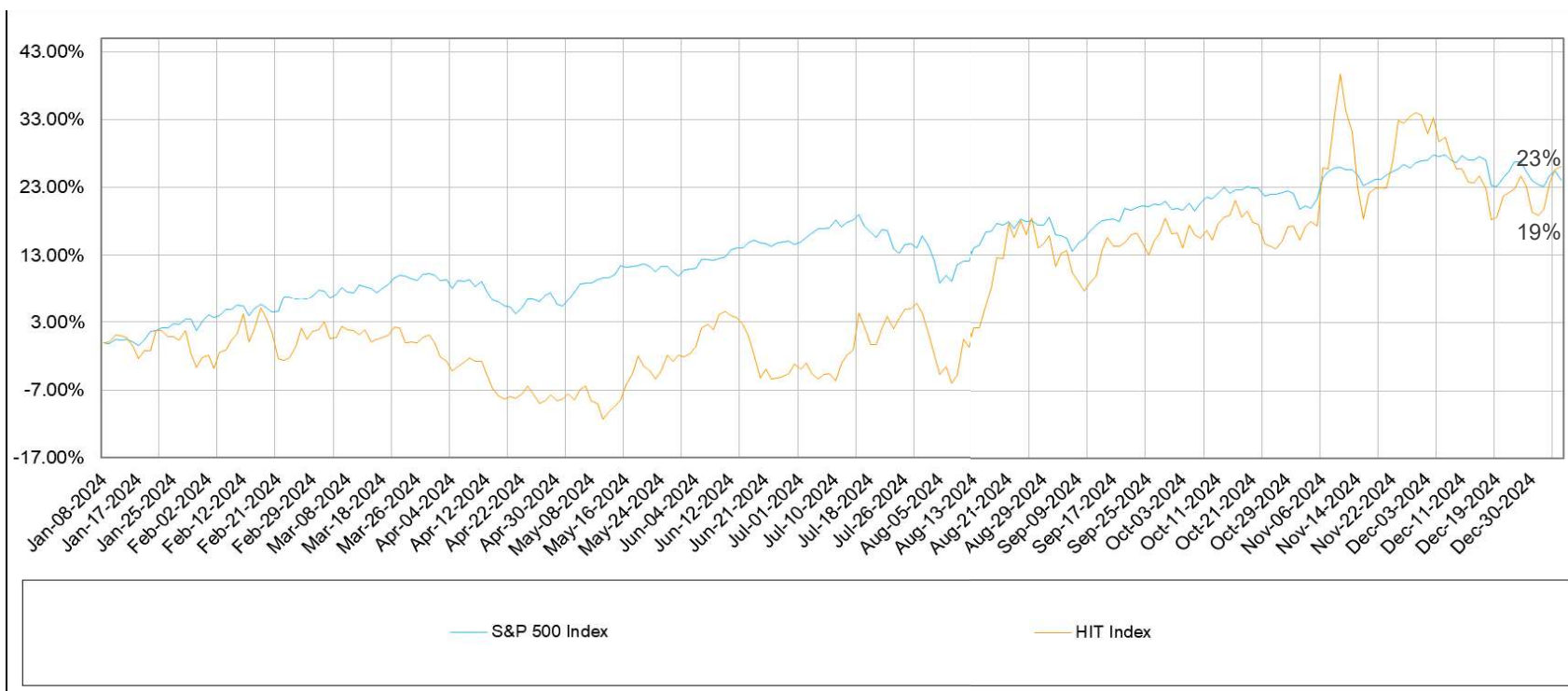
* 4 stocks aren't included in the analysis of slide 8 to 10 due to being public less than a quarter

* The mean averages all are calculated using market cap weighted

Source: Capital IQ as of December 31, 2024

2024 Relative Performance of the Digital Health Index vs. S&P 500 index

The Digital Health Index recovered from a relative performance lows of -11% in May to +19% by yearend. Since Septemeber, it more closely tracked the S&P 500 Index.



- The Digital Health Index briefly outperformed the S&P 500 in Nov for the first time since 2020
- Digital Health Small Cap Index ↑19% in value vs. the S&P 500 Index ↑23% in 2024
- The market for initial public offerings continues to show signs of rebounding:
 - No IPO nor SPAC deals in the Digital Health sector in 2023, but 9 new IPO deals in 2024
 - 2 IPO deals were in June, while 3 in Q3 and 4 in Q4 of 2024