HEALTHCARE
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PARTNERS

Semi-Annual Market Review

Digital Health & Health Information Services *July 2021*

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TABLE OF CONTENTS

Digital Health Executive Summary 1

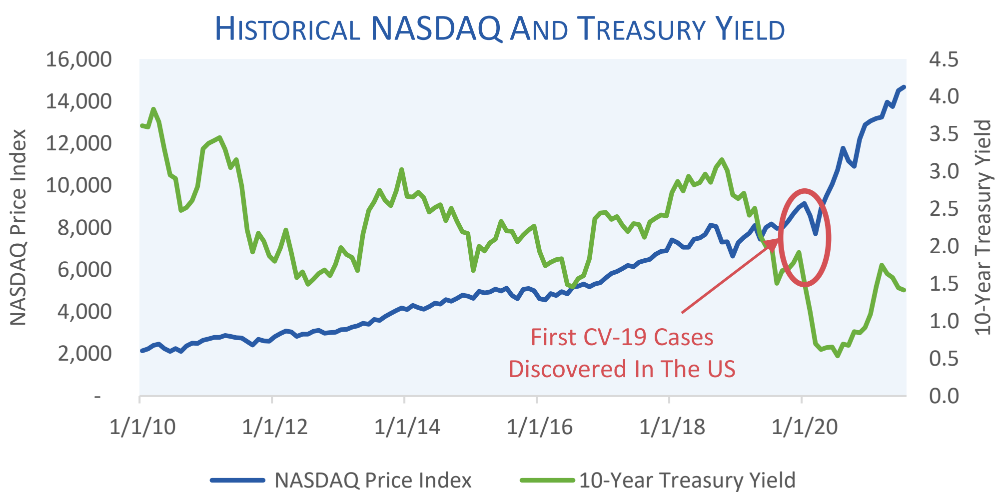
The Digital Health Surge

What is and what shall be. What is: The market is on fire. All things equal, based on our experience we estimate digital health valuations rose at least 30% from pre- to post-pandemic. For high performing companies, the valuation premium is much higher. Reinforcing our experience, from pre-pandemic February 2020 to post-pandemic June 2021, the NASDAQ rose 50%. Through June, M&A volume and value is on pace to increase 43% and 42% in 2021, and Investment volume and value is on pace to rise 23% and 85% this year. How can this be? We see four factors driving these trends:

1. Excess Financial Market Liquidity
2. Looming Capital Gains Rate Hikes
3. An Indisputable Investment Thesis for Digital Health
4. Fear – of Missing Out (Buyers) and of Losing It All (Sellers)

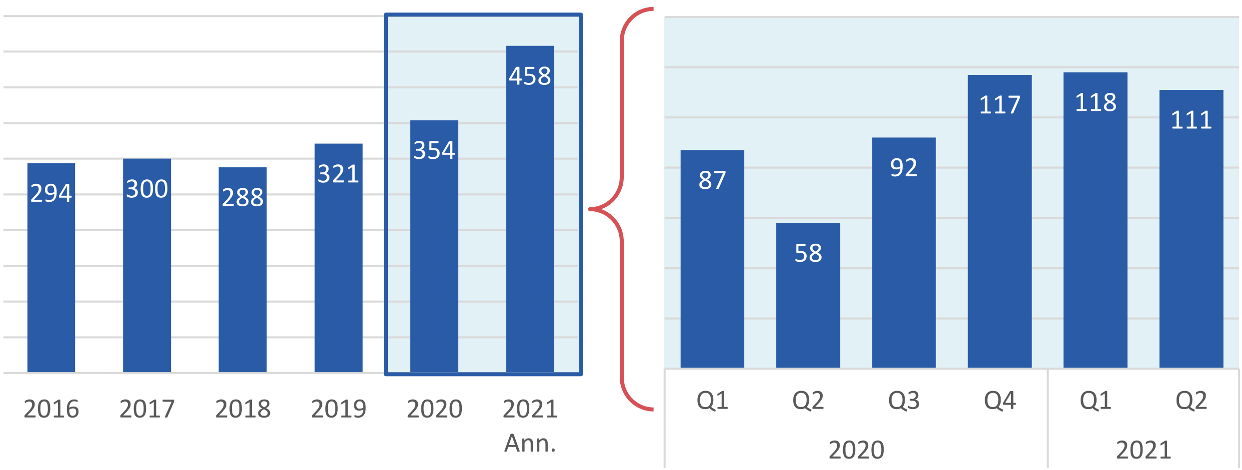
What is.

1. Excess Financial Market Liquidity: From the end of Q2 to the end of Q4 of 2020, deposit balances of US commercial banks increased $1.9 trillion. Loans to support households, employers, financial markets, and state and local governments totaled $2.3 trillion as of March 31, 2021, between Main Street Lending, PPP and $500 billion in note purchases from US states and counties. Between March and December of 2020, the Federal Reserve's portfolio of securities grew from $3.9 trillion to $6.6 trillion. The federal funds rate was cut by 1.5% in an attempt to lower the cost of borrowing for the average American. The IRS provided three waves of stimulus checks to eligible Americans to stimulate spending and ease the financial pressure that the pandemic caused. The 10-year treasury sits near 1.2%, reducing return requirements for investors across all asset classes as well as reducing borrowing costs, which further fuels capital availability. Taken together, financial markets are awash in liquidity while the amount of available assets is unchanged. As such, valuations have risen.



2. LOOMING CAPITAL GAINS RATE HIKES: President Biden proposed raising the tax on capital gains from 20% to 39.6%. Biden also showed interest in raising the income tax from 37% to 39.6% of for top earners. Because individual retirement accounts and 401(k)'s are exempt from the proposed tax hike, most Americans would not be affected by the increase. 75% of Americans hold stock in non-taxable accounts and even within the 25% who do own stock in taxable accounts, only those whose income is over $1 million should expect their finances to be impacted by the tax increase. Sophisticated investors and founder-owners have a high degree of exposure to this tax proposal, and as such, they are racing to the exits by the end of 2021. This trend is evident through investment banks, lawyers, and due diligence advisors operating at capacity due to excessively high transaction volume.

US DIGITAL HEALTH M&A ACTIVITY



3. AN INDISPUTABLE INVESTMENT THESIS FOR DIGITAL HEALTH: A combination of healthcare demand outpacing physical supply and government-mandated isolation created a boom in digital health. Funding for digital health ventures reached an all-time high in 2020 with a total of $23.3 billion and the first half of 2021 is already nearing last year's total, with $21.5 billion invested. The consulting firm McKinsey estimates that up to $250 billion of U.S. healthcare could be virtualized. Telehealth is not the only beneficiary, as consumers expect higher touch and virtual engagement models of care. From the patient financial experience to chronic care management to clinical trial management, all aspects of the healthcare experience are increasingly being digitized and virtualized. When we launched HGP in 2006, health informatics, as it was called then, was an afterthought. Today, digital health is a must for any fund manager.

4. FEAR – OF MISSING OUT (BUYERS) AND OF LOSING IT ALL (SELLERS): The small business sector of the U.S. economy was rocked by the pandemic and government mandates with 200,000 small businesses closing their doors in the first year of COVID. Any business operator experienced the fear of losing it all at the lowest points of the pandemic. Experiencing the fear of loss motivates a scarcity mentality that causes equity holders to harvest and diversify their gains, thus driving a greater supply and openness to liquidity transactions such as M&A and recapitalizations. On the other side of the table,

investors and acquirors see the market running at a torrent pace. Fear of missing out motivates reactionary transaction behavior, reflected in a combination of high valuations, a greater tolerance for due diligence issues, and urgency. Taking the fear factor for both buyers and sellers together results in highly motivated marketplace, driving more transaction volume at a faster pace with a higher close rate than historical patterns.

What shall be.

We should have given up forecasting anything by now, but in the spirit of taking risk, we will take a shot at forecasting the future for these four critical market indicators.

1. Excess Financial Market Liquidity: The question overhanging the market is whether the excess liquidity will lead to inflation – see the Fear section below for more on this topic. From a financial markets standpoint, we see excess liquidity continuing well past 2021. Financial investors see this as well, thus their fear of missing out mentality. Dry powder across funds in North America reached a record high in September 2020 of $976 billion, which further underscores the persisting market demand as investors seek to deploy capital across a finite number of companies. Lastly, the Fed is highly motivated to maintain low rates at least for the foreseeable future, as reflected in the persistently low 10-year treasury rate, now hovering around 1.2%.

2. Looming Capital Gains Rate Hikes: Our collective research points to best estimates that capital gains tax rates will settle out at 28% effective January 1, 2022. Of course, no one knows, but we take the philosophy that the average of a bunch of wild guesses is a pretty good guess. Recall the last major increase in capital gains tax from 15% to 20% in 2012 to 2013. At the time, US M&A increased modestly in terms of transaction volume but declined in terms of transaction value. Our experience at HGP at the time indicated a sharper impact. We saw a record number of transactions in 2012 and experienced a significant slowdown in 2013. From a digital health perspective, US M&A transaction volume decreased 28% between 2012 and 2013. Studies are equally inconclusive on the topic. Maximilian Todtenhaupt studied the topic and published in the European Economic Review "that a 1% increase in the capital gains tax rate reduces acquisition activity by around 1% annually". Data aside, our past and present experience at HGP points to a pull-forward of M&A transactions, and as such, we see M&A slowing next year only if politicians settle on the expected capital gains increase to 28% or higher.

	# of US Digital Health M&A	*% Change*	# VC Exits	*% Change*	Capital Gains
2011	235		748		15% - *No change from PY*
2012	264	*12%*	879	*18%*	15% - *No change from PY*
2013	190	*-28%*	926	*5%*	20% - *5% increase from PY*
2014	275	*45%*	1,109	*20%*	20% - *No change from PY*

3. An Indisputable Investment Thesis for Digital Health: The future for digital health is obvious, which is why the sector is near the top of any fund managers investment priorities. There are so many driving forces that we would need to dedicate an entire book to the topic. To name a few:

- Rising number of patients and a static number of providers is straining the healthcare system
- The high prevalence of chronic conditions, ranging from heart disease to diabetes, further strains the healthcare system, both in terms of cost and access
- The aging "Baby Boomer" generation is increasing the share of patients over age 65
- Patient financial responsibility is on the rise, resulting in both a discerning patient consumer and the need for improved billing systems
- Electronic medical records are creating an explosion of clinical data, often messy and siloed data that requires additional information systems to be utilized to its potential
- Rising healthcare costs are putting pressure on employers to be more proactive in the management and performance of their workforce
- Value-based payment models continue to proliferate for all healthcare stakeholders and absorb a larger share of healthcare reimbursement
- The cost of drug discovery, clinical trials, and commercial drug launches can be dramatically improved through systems that can better harness data, including genomics, to optimize these processes
- General technology advancement, such as AI and blockchain, stand to transform many aspects of the healthcare market

4. Fear - Of missing out (buyers) and of losing it all (sellers): With COVID cases declining, at least in the US, the market has shifted its focus to the fear of inflation. Without a doubt, we have been in a period of transitory inflation. Most of the government stimulus programs are short-lived, and the sustainable growth of the economy will depend on a successful transition from government stimulus to private spending. From a digital health perspective, we have an interesting take. Anecdotally but significantly, we are hearing from vendors who are experiencing downward pricing pressure driven by highly competitive market dynamics. We see inflation as a manageable risk due to the imminent transition from government to private stimulus. The pricing pressure experienced by digital health vendors is another signal pointing to tempered inflation. To date, fear of a resurgence of COVID is not motivating any significant changes to market activity.

On the whole, our interpretation of the market signals is very positive for digital health. Short of questioning whether there will be a resurgence of COVID, we struggle to interpret the magnitude of capital gains tax legislation's impact on the markets. Above all things, we are grateful - grateful to be nearing the other side of the pandemic with a surging economy in place of surging COVID and for the greater degree of normalcy in our lives. Of all prognostications, we hope the common experience that we all shared during 2020 and 2021 will unite us and make us stronger as we carry forward.

Digital Health Market Trends 2

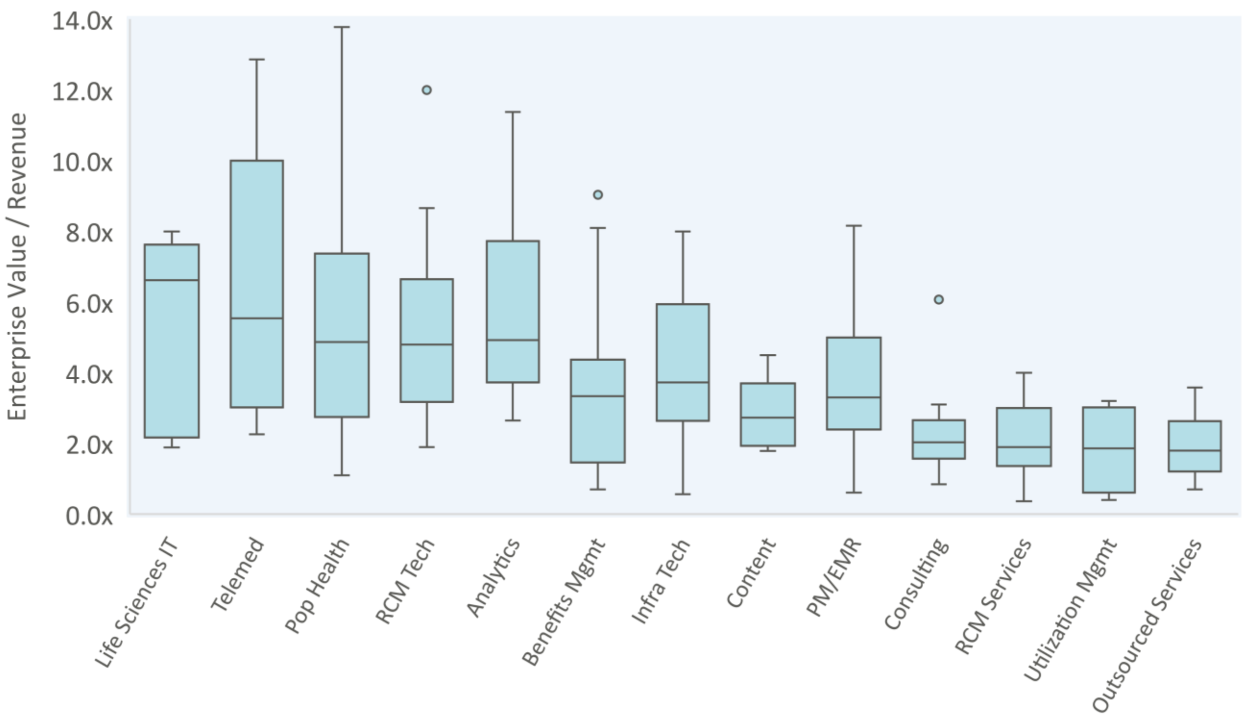
HGP keeps close tabs on M&A valuations to see how the market evolves over time. While we can only draw data from deals with disclosed multiples and therefore must be careful to consider bias in any conclusions we draw from this data, we can still get a good sense for how the market values companies within the different subsectors of digital health. The following table and accompanying box-and-whisker plot show the distributions of revenue multiples in 13 subsectors of digital health. The sectors were sorted according to median revenue multiple from largest to smallest.

Reported 2016 – 1H 2021	Deals with Disclosed Revenue Multiples	Deals with Disclosed EBITDA Multiples	Revenue Multiple					EBITDA Multiple
			25th %-tile	Median	75th %-tile	Mean	Std. Dev.	Median
Life Sciences IT	6	5	2.2x	6.6x	7.6x	5.5x	3.0x	15.2x
Telemed	17	6	3.4x	5.6x	10.2x	7.0x	4.0x	17.0x
Population Health	57	13	2.9x	4.9x	7.0x	6.2x	4.9x	14.7x
RCM Tech	30	22	3.1x	4.6x	6.4x	5.0x	2.7x	16.1x
Analytics	24	9	3.3x	4.5x	7.1x	5.1x	2.6x	18.0x
Benefits Mgmt.	19	3	2.0x	3.8x	4.4x	3.6x	2.3x	15.0x
Infrastructure Tech	32	17	2.4x	3.7x	5.6x	4.3x	3.4x	10.0x
Content	16	5	2.2x	3.3x	4.2x	3.9x	2.7x	14.3x
PM/EMR	46	27	2.1x	3.2x	5.0x	3.6x	1.9x	14.6x
Consulting	20	8	1.6x	2.0x	2.8x	2.4x	1.3x	13.0x
RCM Services	16	12	1.4x	2.0x	2.6x	2.0x	1.0x	9.0x
Utilization Mgmt.	6	3	0.7x	1.8x	2.7x	1.8x	1.1x	10.9x
Outsourced Services	19	12	1.3x	1.8x	2.7x	2.1x	1.2x	10.5x

We believe it's important to keep dispersion in mind when assessing valuation data, which is why we include the 25th percentile, 75th percentile, and standard deviation in our summary statistics. While measures of central tendency like the median and mean are certainly indicative of how buyers are valuing assets, the dispersion shows that with higher multiples, we also see higher risk. This becomes especially apparent when we chart the data using a box-and-whisker plot. Generally speaking, the sectors with highest median revenue multiple also experience large standard deviations and positive skew. For instance, while 25% of the observed telemedicine companies received 10.2x revenue or more in sale transactions during the period, another 25% received less than 3.4x revenue at exit. Companies in these hot spaces cannot forget that they still need to show strong operating metrics in order to recognize premium valuation multiples.

It is worth noting that the multiples reported here cover the time period from 2016 through 1H 2021. COVID-19 has very quickly changed the global economy, which means that these multiples may not be representative of valuations across digital health sectors in the future.

The box-and-whisker plot graphically displays the Median, 25th Percentile, 75th Percentile, Minimum, and Maximum; where points beyond 1.75 times the Inter-Quartile Range are shown as outliers. The inter-quartile range is represented by the "box" and shows the range between the 75th Percentile and the 25th Percentile. Visually, the inter-quartile range serves to describe the variability of the data. Note that point estimates such as the mean or median can often be misleading on their own, as they do not convey the level of variability which can be very high such as in the Telemedicine and Population Health sectors.



The sectors were sorted according to decreasing median revenue multiple and show a trend of decreasing IQR as median revenue multiple decreases. Thus, while companies that fall within sectors further to the right on the graph can expect a lower revenue multiple in a transaction, the transaction outcome is also more predictable. A company that falls within a sector on the left, however, cannot have as strong a confidence in their expected outcome. These observations follow a common theme in investment theory: that with greater potential upside, there is also greater risk and volatility.

While the metrics presented here may be used as a guidepost for expected outcomes, the end result of any transaction often depends on buyer circumstances as much as on seller or market fundamentals, and buyer circumstances tend to be extremely unpredictable. It is not uncommon for the clearing price of a transaction to be significantly higher than the cover bids. This usually occurs when a buyer has unique circumstances that justify a higher price than the rest of the buyer universe. Identifying those buyers and appropriately positioning in relation to them is part of the art of running a successful transaction process.

The following table provides additional context on the valuation trends within each sector as well as a sample of recent transactions within each.

Sector	Description	Representative Deals
Life Sciences IT (6 deals) Median: 6.6x Std. Dev.: 3.0x	Includes traditional CTMS vendors as well as other vendors that deliver value in the drug/device process.	Medidata (Dassault Systemes), Bracket Global (Genstar Capital), Phlexglobal (Vitruvian Partners)
Telemed (17 deals) Median: 5.6x Std. Dev.: 4.0x	Contains a mix of pure telehealth tech, telehealth services, and virtual care models.	AbleTo (United Health),2nd.MD (Accolade), PillPack (Amazon), Best Doctors (Teladoc)
Population Health (57 deals) Median: 4.9x Std. Dev.: 4.9x	Comprised of patient engagement, provider connectivity, and care management technologies.	BioTelemetry (Philips), Propeller Health (ResMed), Iora Health (One Medical), Press Ganey (EQT), Wellcentive (Philips)
RCM Tech (30 deals) Median: 4.6x Std. Dev.: 2.7x	Includes tech-oriented RCM vendors serving hospitals and physicians, and to a lesser extent, payers.	HMS Holdings (Gainwell), Change Healthcare (Optum), VisitPay (R1 RCM), ABILITY (Inovalon)
Analytics (24 deals) Median: 4.5x Std. Dev.: 2.6x	Primarily represents a mix of life sciences and provider analytics, and to a lesser extent, payer analytics.	Nuance (Microsoft), EPSi (Roper), Central Logic (Rubicon Venture Partners), Truven (IBM), IMS (Quintiles)
Benefits Management (18 deals) Median: 3.9x Std. Dev.: 2.3x	Includes benefits management and admin software companies serving payers and employers.	OneDigital (Onex Partners), Connecture (Francisco Partners), HealthX (JMI), PinnacleCare (Sun Life), bswift (Aetna)
Infrastructure Tech (32 deals) Median: 3.7x Std. Dev.: 3.4x	Compliance and resource management software generally serving provider organizations.	Symplr (Clearlake), Datix (Rothschild), Morrisey (HealthStream), CenTrak (Halma), VendorMate (GHX)
Content (16 deals) Median: 3.3x Std. Dev.: 2.7x	Transactions are a mix of online consumer content and provider-oriented clinical content.	WebMD (Internet Brands), Quantum Health (Great Hill Partners), Everyday Health (j2 Global)
PM/EMR (46 deals) Median: 3.2x Std. Dev.: 1.9x	Includes ambulatory, acute, post-acute, alternate site, and departmental EMR/PM systems.	HST Pathways (Bain Capital), Intelerad (HGCapital), athenahealth (Veritas), Kinnser (Mediware), PeriGen (Halma)
Consulting (20 deals) Median: 2.0x Std. Dev.: 1.3x	Project-based IT consulting and staff augmentation companies generally serving provider organizations.	UDG Healthcare (CDR), Advisory Board (UnitedHealth), HCI Group (Tech Mahindra), Halfaker & Assoc. (SAIC)
RCM Services (16 deals) Median: 2.0x Std. Dev.: 1.0x	Outsourced revenue cycle management services generally serving hospitals and physicians.	MedPartners (AMN), Intermedix (R1), Anthelio (Atos), Cardon (MedData), Equian (New Mountain)
Utilization Mgmt (6 deals) Median: 1.8x Std. Dev.: 1.1x	Payer-oriented software and services vendors focused on traditional utilization management.	New Century (Evolent), HealthHelp (WNS), Alere (Abbott), HSM & CDMI (Magellan)
Outsourced Services (19 deals) Median: 1.8x Std. Dev.: 1.2x	Includes non-RCM outsourced services primarily serving payers as well as providers.	Sedgwick & MedRisk (Carlyle Group), InVentiv (INC Research), Oncidium (CloudMD), HealthPlan Holdings (Wipro)

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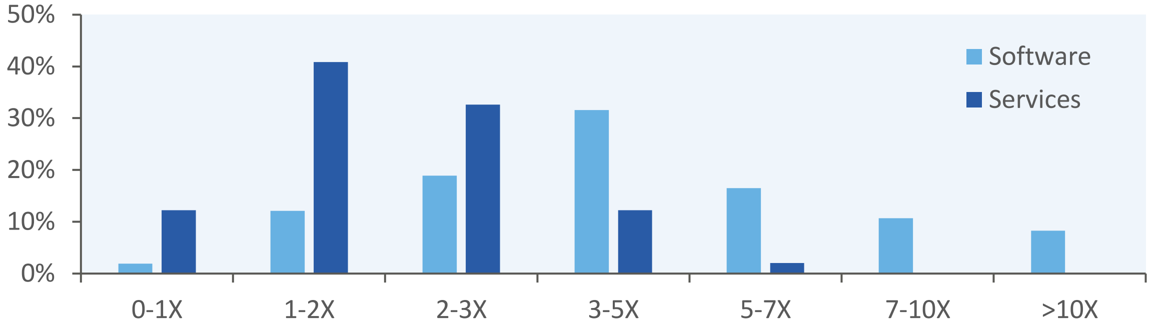
Digital Health M&A (Including Buyout) 3

Digital Health Revenue Multiples Distribution 2016-1H 2021

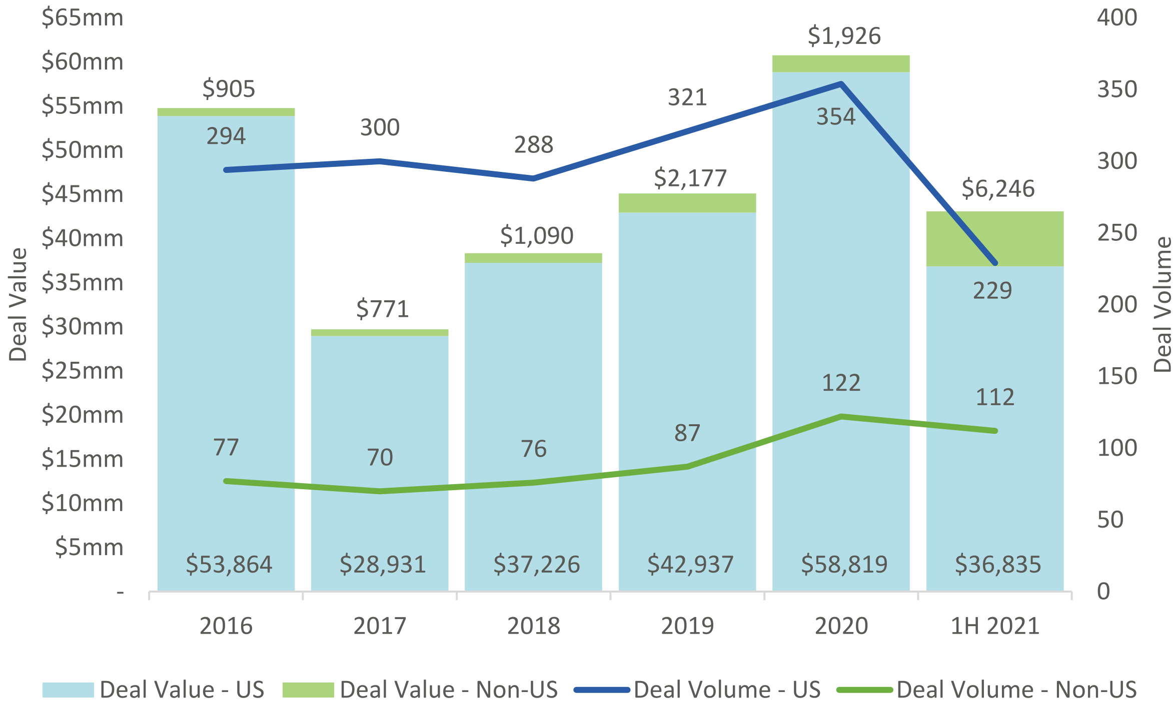


HGP has observed a number of tangible and intangible company and transaction characteristics that typically define where a deal falls on the valuation distribution. Growth, profitability, and recurring revenue are the most commonly identified factors used to justify valuation multiples. Not all digital health companies capture premium valuations just because they operate in digital health. However, those companies that offer a combination of growth, address an unmet need, and fit into the vision of healthcare reform are seeing valuations significantly higher than historical patterns of activity. Premium value is also created when a seller fulfills the specific needs of a buyer at a specific point in time. Timing and serendipity are external factors that play a large and sometimes unpredictable role in the creation of value.

HGP's Target Metrics For Emerging Growth Digital Health Companies

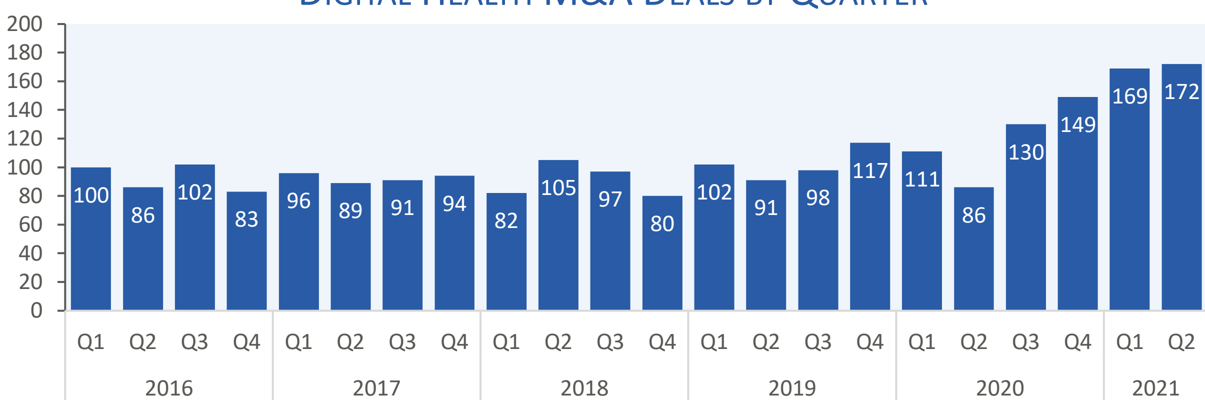
	Best	Good	Passable	Avoid
Recurring Revenue	Monthly Subscription or Monthly Transaction	Annual Subscription or Prepaid Transactional	1-Year+ Prepaid Subscription	Perpetual License + Maintenance
Revenue Metric	Contracted Annual Recurring Revenue	Annual Recurring Revenue	Trailing Twelve Month	Sum of Parts Revenue Multiples
Revenue Growth	35%+	20-35%	10-20%	<10%
Gross Margin	80%+	70-80%	60-70%	GM <70% for SaaS Lower for Services
Revenue Retention	95%+	90-95%	Depends on Customer Type	<90%
Customer Concentration	<10%	10-20%	20-30%	1 customer > 30% or a handful of >50%
Profitability	20%+	0-20%	Small Losses	Large Losses

Digital Health M&A Activity from 2016 through 1H 2021



The digital health M&A market is going through what can be characterized as a "deal frenzy". The four factors we have identified previously in our market review, namely excess liquidity, the looming capital gains tax hike, fear of missing out/losing it all, and a stronger need for digital health in the aftermath of the pandemic, have put the market on hyperdrive. Both quarters of 2021 saw a record-breaking number of deals. If the current trajectory is sustained until end of 2021, the aggregate deal value and volume will have gone up by 42% and 43%, respectively, compared to 2020, a year that was already a boom in most transaction-related metrics. Digital health is thriving post-pandemic, and investors want to ride this wave for as long as possible.

Digital Health M&A Deals by Quarter



Digital Health M&A (Including Buyout) 3

Getting more granular into valuation multiples, it is useful to note that multiples are often somewhat correlated to a target's enterprise value. For instance, software company valuations experience an inflection above $30mm in value, which steadily climbs until approximately the $1B valuation mark. Services company multiples experience a similar inflection at $100mm, especially in higher decile transactions. The inflection points are in part due to a private equity universe that has expanded leverage capacity for larger transactions, which in turn drives up valuation multiples as the enterprise value increases.

		Software Companies			Services Companies		
		Revenue Multiple	EBITDA Multiple	Transaction Value	Revenue Multiple	EBITDA Multiple	Transaction Value
All Transactions	# of Transactions	206	86	215	49	26	51
	Median	4.2x	15.1x	$ 140	1.9x	10.2x	$ 195
	Mean	5.0x	16.0x	$ 668	2.1x	11.3x	$ 835
<$30mm Transactions	# of Transactions	57	11	54	8	5	8
	Median	3.0x	8.8x	$ 13	1.7x	8.8x	$ 12
	Mean	4.2x	9.9x	$ 13	1.7x	9.0x	$ 14
$30-100mm Transactions	# of Transactions	38	16	38	15	8	15
	Median	3.4x	12.6x	$ 49	1.8x	9.4x	$ 47
	Mean	4.1x	14.1x	$ 52	1.8x	9.3x	$ 52
$100-500mm Transactions	# of Transactions	66	23	68	16	6	16
	Median	4.7x	15.0x	$ 204	1.9x	10.2x	$ 288
	Mean	5.6x	16.8x	$ 237	2.0x	9.9x	$ 303
$500mm-$1B Transactions	# of Transactions	21	12	25	2	0	2
	Median	6.2x	16.5x	$ 660	3.4x	NA	$ 770
	Mean	5.9x	17.5x	$ 678	3.4x	NA	$ 770
>$1B Transactions	# of Transactions	25	24	31	8	7	10
	Median	5.9x	17.9x	$ 2,100	2.6x	15.5x	$ 3,550
	Mean	6.2x	18.5x	$ 3,501	2.6x	16.4x	$ 3,530

Generally, companies have three valuation inflection points: proof-of-concept, growth scalability, and mature scalability.

1. **Proof-of-concept** is value created when a company shows that its product can be successfully sold and deployed in a commercial setting.
2. **Growth scalability** occurs when an earlier stage company begins to show profitability or at least scale at high levels of growth, although the organization is still small and lean.
3. **Mature scalability** takes place after a company has matured to a level where it takes on real corporate and organizational infrastructure and the company begins to show strong profitability.

2016 – 1H 2021 Software Revenue Multiple Distribution by Target Enterprise Value					
Percentile	<$30mm	$30-100mm	$100-500mm	$500mm-$1B	>$1B
90th Percentile	7.0x	8.0x	11.7x	10.8x	10.6x
75th Percentile	4.8x	4.7x	6.8x	7.6x	7.9x
50th Percentile	3.0x	3.4x	4.7x	6.3x	5.9x
25th Percentile	1.9x	2.7x	3.0x	3.9x	4.2x

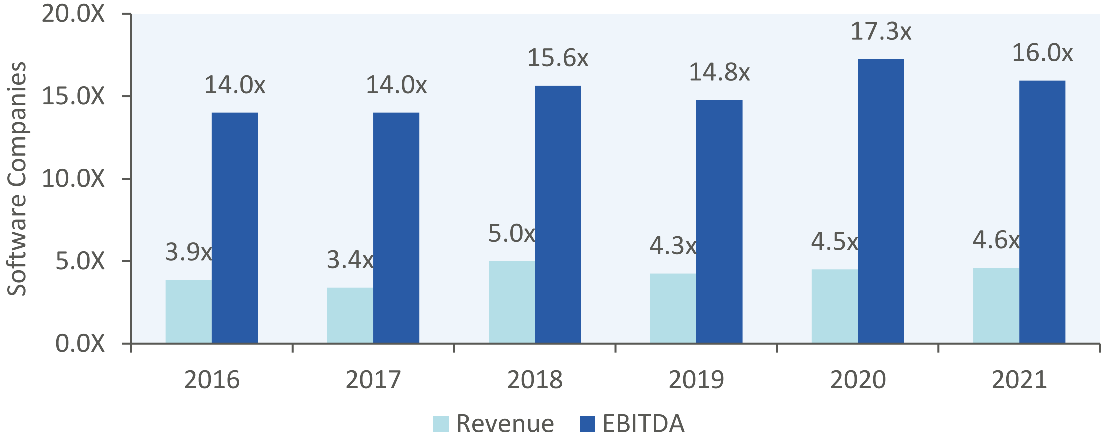
2016 – 1H 2021 Services Revenue Multiple Distribution by Target Enterprise Value					
Percentile	<$30mm	$30-100mm	$100-500mm	$500mm-$1B	>$1B
90th Percentile	nm	3.2x	3.4x	nm	nm
75th Percentile	2.0x	2.5x	2.6x	nm	3.2x
50th Percentile	1.7x	1.8x	1.9x	3.4x	2.6x
25th Percentile	1.1x	1.2x	1.4x	nm	2.2x

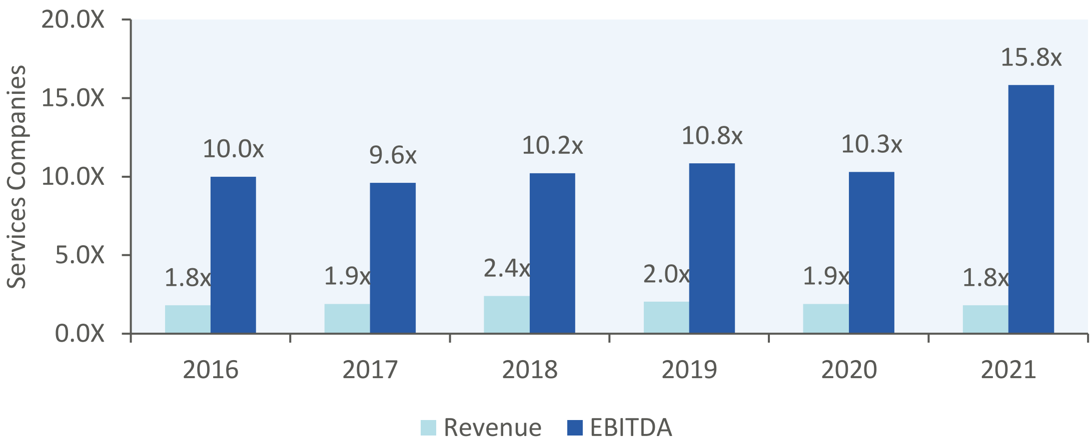
The above tables clearly demonstrate the positive relationship between valuation and scale. As Software businesses grow in scale, so do their multiples. The first clear inflection point occurs around the $100mm mark, with revenue multiple increasing from 3.4x to 4.7x. As those similar software businesses grow further to over $500mm and reach mature scalability, revenue multiples further increase to a median of around 6.0x.

The Services business data also exhibits a valuation inflection with size; however, the first growth scalability inflection point occurs at a much larger value closer to $500mm, and mature scalability occurs nearer to $1bn. The result is Services business revenue multiples increasing from a median of 1.8x for growth-stage businesses to greater than 3.4x for mature businesses.

Detailed multiples trends can be found in the following bar charts. It should be noted that valuation multiple trends can be very volatile given the limited availability of data.

MEDIAN M&A MULTIPLES 2016 THROUGH 1H 2021





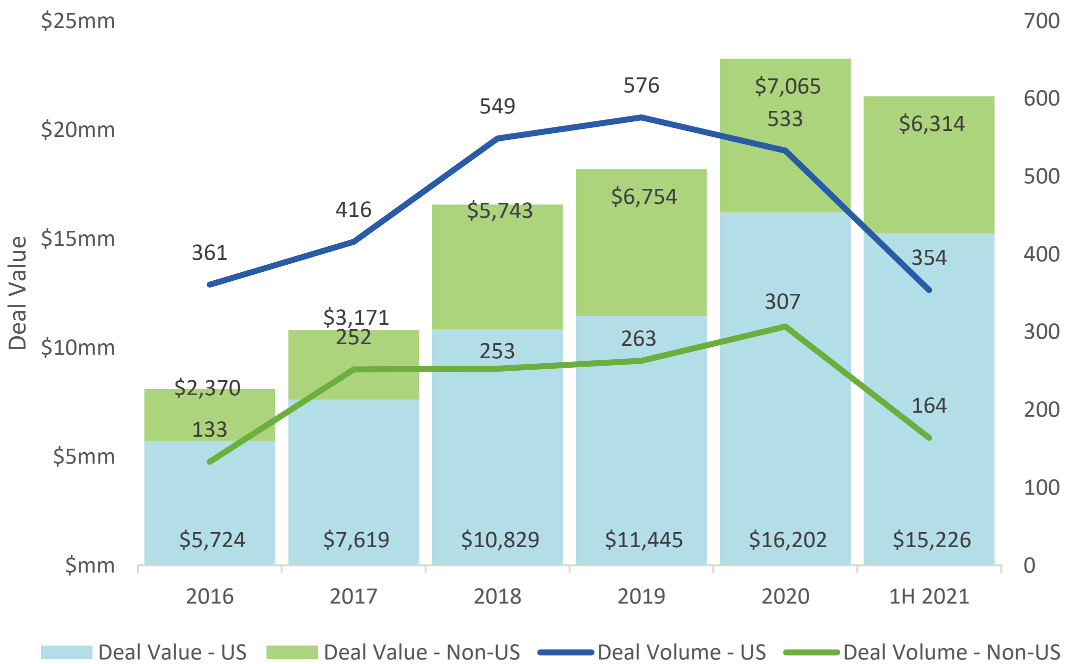
Please note that transaction multiples are based on trailing twelve-month financial information, assume the achievement of all contingent consideration, such as earnouts, and most EBITDA multiples do not include any adjustments for unusual items. It is also important to note that less than one-third of transactions contain a disclosed multiple, therefore the multiple data presented represents only a portion of the overall transaction activity and may include sampling bias.

The median revenue multiple seen in 1H was 4.6x for software companies, a slight uptick from the median seen in 2020. Services saw a significant increase in median revenue multiple, though that was mostly driven by a few outlier multiples on certain assets.

Digital Health Capital Raises (Non-Buyout) 4

The chart below summarizes quarterly private-equity and venture capital activity in digital health and related services since 2016 according to HGP's database. The data below and in this section do not include buyout private equity activity. In the first half of 2021, Healthcare Growth Partners monitored 518 capital raise transactions amounting to $21.5 billion in value, almost equaling the total investment value of the entire 2020. If the investment activity retains its pace for the rest of 2021, year-over-year increase in deal volume and value will be 23% and 85%, respectively.

Digital Health Investment Activity from 2016 through 1H 2021



Digital Health Investment Deals By Quarter

Healthcare Capital Markets 5

HGP tracks a custom index within the digital health space. What classifies a company in the universe of digital health, and ideally creates a valuation premium, is a strong information technology and data component that creates scalability and competitive strength. This is particularly relevant to services organizations that use technology and data analytics to streamline their operations. With this in mind, HGP evaluated the performance of publicly traded digital health companies against the S&P 500 and the NASDAQ indices, in order to assess the digital health companies within the wider market.

In analyzing the first half of 2021, two distinct periods emerged. During the first two months of the year, digital health outperformed the market by a healthy margin, presumably due to political instability affecting the overall market, while digital health trends such as telehealth were gaining increased attention. After March 2021, however, the picture flipped completely, where digital health underperformed the overall market, even dipping into negative returns. A notable turn in the tide was Amazon's announcement of its expanding Amazon Care telehealth pilot program, which would provide telehealth services to its employees and other companies across the nation. As tech giants like Amazon and Google try to make inroads in the healthcare sector, distinguishing companies as purely digital health-focused will be more challenging, paralleling the shifting dynamics of the sector.

Digital Health Index Performance 1H 2021

Jan 6 – The US Capitol is violently attacked

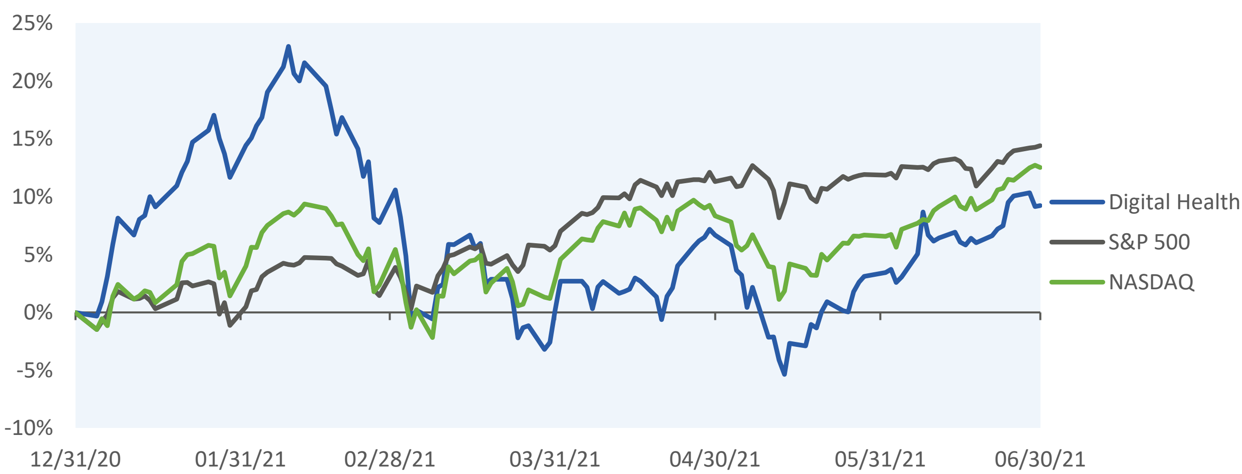
Jan 20 – President Biden and VP Kamala Harris are inaugurated

March 11 – Biden signs $1.9 trillion relief bill

April 30 – 100 million Americans are fully vaccinated against CV-19

May 13 – CDC lifts mask restrictions for fully vaccinated people

June 24 – Biden announces support for major Infrastructure bill



1H 2021 Index Performance					
Digital Health	9.2%	NASDAQ	12.5%	S&P 500	14.4%

DIGITAL HEALTH INDEX PERFORMANCE DETAIL – AS OF JUNE 30, 2021

Detail on the companies HGP tracks as part of the digital health index can be found below. Multiples shown are based off 2021E revenue and EBITDA.

Company	Share Price % Change	EV/ Rev	EV/ EBITDA	Company	Share Price % Change	EV/ Rev	EV/ EBITDA
Alignment Healthcare	29.8%	3.8X	NMF	MultiPlan (New York)	19.1%	10.6X	14.8X
Allscripts	28.2%	1.6X	9.4X	NantHealth	-28.2%	6.9X	NA
Accolade	24.9%	18.8X	NMF	NextGen Healthcare	-9.0%	1.9X	9.5X
Amwell	-50.3%	7.8X	NMF	NRC Health	7.4%	NA	NA
Benefitfocus	-2.6%	2.4X	13.6X	Oak Street Health	-4.2%	10.5X	NMF
Bright Health	-4.7%	NA	NA	Omnicell	26.2%	5.9X	27.2X
Castlight Health	102.3%	2.7X	NMF	One Medical	-24.3%	9.0X	NMF
Cerner	-0.4%	4.1X	12.7X	OptimizeRx	98.7%	16.9X	NMF
Certara	-16.0%	15.4X	NMF	Oscar	-44.9%	0.9X	NMF
Change Healthcare	23.5%	3.9X	12.8X	Peloton	-18.3%	8.9X	NMF
Clover Health	33.2%	5.9X	NMF	Phreesia	13.0%	21.1X	NMF
Convey Health Solutions	-18.7%	NA	NA	Premier	-0.9%	2.8X	10.2X
CPSI	23.8%	2.0X	11.3X	Privia Health	92.9%	5.3X	NMF
Doximity	123.8%	NA	NA	Progyny	39.2%	9.5X	NMF
ehealth	-17.3%	2.1X	12.7X	Roper Technologies	9.1%	9.1X	25.0X
Evolent Health	31.8%	2.2X	NMF	Simulations Plus	-23.7%	19.8X	NMF
GoHealth	-17.9%	3.9X	13.3X	SmileDirectClub	-27.3%	4.3X	NMF
GoodRx Holdings	-10.7%	18.5X	NMF	SOC Telemed	-27.4%	6.3X	NMF
Health Catalyst	27.5%	10.4X	NMF	Streamline Health	13.5%	5.4X	NMF
HealthEquity	15.4%	9.6X	29.4X	Signify Health	26.8%	6.8X	NMF
HealthStream	27.9%	3.4X	23.2X	Tabula Rasa Healthcare	16.7%	4.6X	NMF
Hims & Hers Health	8.9%	7.8X	NMF	Talkspace	-16.9%	NA	NA
Inovalon Holdings	87.6%	8.1X	22.7X	Teladoc Health	-16.8%	13.1X	NMF
Invitae	-19.3%	14.3X	NMF	UpHealth	-32.1%	NA	NA
IQVIA	35.2%	4.3X	19.4X	Veeva Systems	14.2%	31.4X	NMF
iRhythm Technologies	-72.0%	6.0X	NMF	Vocera Communications	-4.0%	5.7X	NMF
Model N	-4.0%	6.4X	NMF	23andMe	16.9%	NA	NA

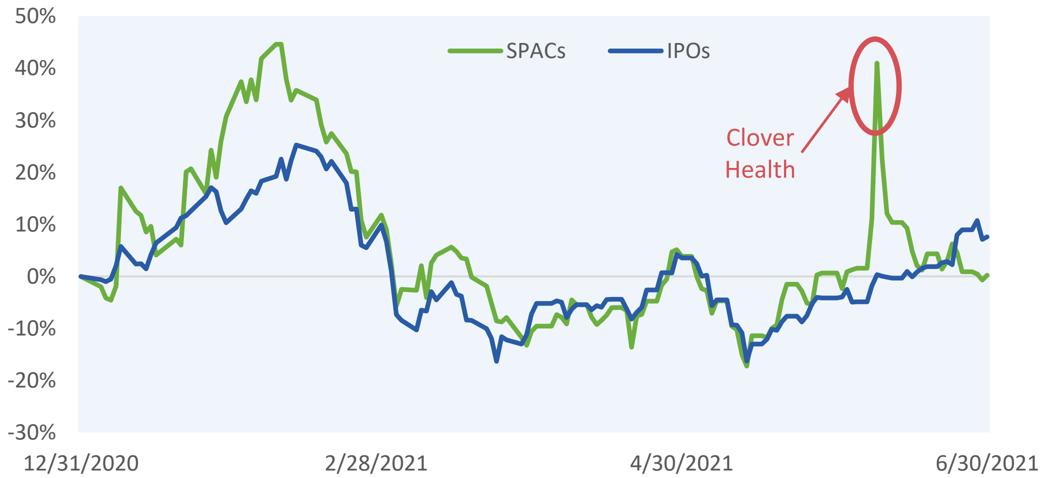
	Revenue Multiples		EBITDA Multiples	
Median Values	2021E	2022E	2021E	2022E
Digital Health	6.3X	5.5X	13.5X	13.5X

DIGITAL HEALTH IPOS AND SPACS

The 2020 SPAC boom carried into 2021 to a lesser extent due to increased regulatory scrutiny; however, SPACs remain a popular segue for digital health companies looking to make their debuts in the public markets. Of the 12 digital health IPOs completed in the first 6 months of 2021, 5 opted for the SPAC route.

Three key trends emerge when comparing SPACs vs. IPOs within the digital health landscape. The first one is that companies that stick to the traditional route are larger: on average, revenue reported by companies that pursue traditional IPOs is three times the average revenue reported by companies that pursue SPACs. This finding is consistent with expectations as SPACs tend to draw in companies in earlier maturity stages due to their promise of speed and looser regulations.

DIGITAL HEALTH IPO VS SPAC STOCK PERFORMANCE



The second trend that emerges is similarly foreseeable: SPAC stocks experience higher volatility than traditional IPOs, with more potential both in the upside and the downside. This can be attributed to the fact that companies that take the SPAC route are less mature, get more attention from exuberant and/or inexperienced investors and have fewer outstanding shares than a traditional stock. A prime example was Clover Health, which was targeted by Reddit investors as a “meme stock” and saw its value double and then halve within two days in early June.

Finally, in terms of returns, IPO stocks in the digital health space fared much better than their SPAC counterparts. Accolade, Oak Street Health, and One Medical have more than doubled their share price since they filed for an IPO. On the other hand, on average, SPAC stocks are down 5% in value compared to their offer price. An exhibit at the end of this section shows individual stock returns for the period between stocks’ public debut and June 30, 2021.

DIGITAL HEALTH IPOS AND SPACS

- **Clover Health,** an insurtech company for Medicare Advantage plans, completed a reverse merger with SPAC Social Capital on January 7 and began trading on the Nasdaq as CLOV. The stock ended the six-month period up 33%, after having been named a "meme stock" by Reddit and going through extreme volatility and trading volume.
- **Hims,** telemedicine and digital pharmacy platform, started trading on the NYSE via a reverse merger with Oaktree Acquisition on January 19 and ended the first six months up 9%.
- Leading value-based healthcare technology platform**, Signify Health,** closed its initial public offering on February 21 and sold 27 millions shares of its stock at a price of $24 per share. The stock price was down 4% by the end of 1H 2021.
- Health insurance startup **Oscar,** raised $1.44 billion in its IPO on the NYSE on March 3, bringing its total valuation to $7.9 billion. The market pricing adjusted later, however, and the stock ended the first six months down 38%.
- Following a $135 million funding from Durable Capital, Fidelity and T. Rowe Price in 1Q 2020, another insurtech company for Medicare Advantage plans, **Alignment Healthcare,** filed and completed its IPO during March. Unlike the other insurtech players, Alignment is the only company currently trading above its IPO price and is up 35% as of June 30.
- **Privia Health,** national physician-enablement company, raised $448 million during its IPO, which closed on April 29, valuing the company at $2.36 billion. The stock ended the 1H 2021 up 28%.
- **UpHealth,** an integrated care management platform and **Cloudbreak,** Los-Angeles based telehealth provider focusing on medical interpretation solutions, combined with SPAC Gig2Capital, and completed their SPAC transaction on June 9, trading under the UpHealth name. The share was trading at a price 28% lower than the offer price as of June 30.
- After completing a $82.5 million Series F in December 2020, **23andMe** completed a reverse merger with VG Acquisition, Richard Branson's SPAC, and started trading on the Nasdaq on June 16. The home DNA-testing kit company is now valued at $3.5 billion, and its shares are up 6% since the IPO.
- Another Medicare Advantage-focused health tech company, **Convey Health Solutions,** went public and began trading on the NYSE on June 16. The Company had a disappointing debut, ending June down 19% from its IPO price.
- Virtual behavioral health company, **Talkspace,** completed a reverse merger with Hudson Executive Investment and started trading on the Nasdaq on June 23, ending 1H 2021 down 17%.
- The latest insurtech IPO was **Bright Health**, which raised $924 million on June 24, selling 51 million shares at a price of $18 per share. As of June 30, the stock was down 5%.
- The "LinkedIn for doctors", **Doximity**, which allows collaboration and coordination between providers, went public and raised $605 million on June 24. The company sold 23.3 million shares at $26 per share, and subsequently gained 31% within a week before end of the month.

DIGITAL HEALTH IPOS AND SPACS

The table below outlines digital health companies that have completed their IPO (either traditionally or through a SPAC) since January 1st, 2020, and their return performance calculated as the yield between their share price as of June 30th, 2021, and their offering price.

IPO Companies		SPAC Companies	
Company	Return	Company	Return
Accolade [NAS:ACCD]	147%	23andMe [NAS:ME]	17%
Alignment Healthcare [NAS:ALHC]	30%	Clover Health [NAS:CLOV]	33%
Amwell [NYS:AMWL]	-30%	Hims & Hers Health [NYS:HIMS]	9%
Bright Health [NYS:BHG]	-5%	MultiPlan [NYS:MPLN]	-5%
Certara [NAS:CERT]	23%	SOC Telemed [NAS:TLMD]	-43%
Convey Health [NYSE:CNVY]	-19%	Talkspace [NAS:TALK]	-17%
Doximity [NYS:DOCS]	124%	UpHealth [NAS:UPH]	-33%
GoHealth [NAS:GOCO]	-47%		
GoodRx [NAS:GDRX]	9%		
Oak Street Health [NYS:OSH]	179%		
One Medical [NAS:ONEM]	136%		
Oscar [NYS:OSCR]	-45%		
Privia Health [NAS:PRVA]	93%		
Signify Health [NYS:SGFY]	27%		
Average	**44%**	**Average**	**-5%**

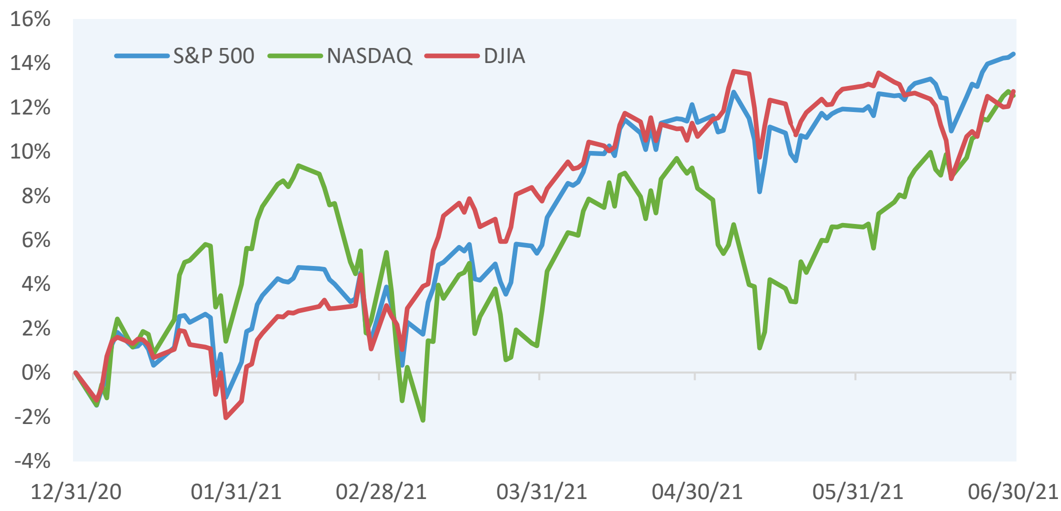
MACROECONOMICS 6

After closing an unforgettable 2020, the United States welcomed the new year with two volatility spikes: first on January 6th, when the U.S. Capitol became the scene for a violent insurrection, and second on January 8th, when the U.S. broke its record in COVID-19 cases with at least 280,000 new cases and more than 4,000 deaths.

Despite the rocky start, 2021 has brought along a newfound sense of hope. Pfizer, Moderna, and Johnson & Johnson vaccines were rolled out across the globe, and more than two-thirds of all US adults have received at least their first shot. Joe Biden's presidential term opened with ambitious vaccination goals, a $1.9 trillion economic stimulus package in March, and a $715 billion infrastructure bill at the end of June. Vaccinated and flush with stimulus cash, the country spent the first half of the year regaining a sense of normalcy, whether it is working in the office, shopping, eating out, or traveling. As a result, 2021 has been a period of surplus liquidity, investor confidence, and high consumer demand following the cautious re-opening of the US.

With the culmination of several factors such as technological innovation, stronger balance sheets for both households and businesses, vaccinations, and the government's firm response to the recession, the US economy is sending strong signals of growth. GDP grew by 6.4% in Q1 2021, and it is expected to grow at a higher rate in Q2, unemployment is fast approaching pre-pandemic levels (5.8% in June 2021 vs 3.5% in February 2020), interest rates remain low, and the stock markets are on a steady rise.

1H 2021 US STOCK MARKET PERFORMANCE



The picture for the IPO market was even rosier than the overall economy. U.S. initial public offerings broke the last year's 12-month record of $168 billion before end of June, racking up $171 billion in capital raised. This comes as no surprise as the market is ripe for high valuations fueled by the factors mentioned above. Special Purpose Acquisition Companies (SPACs) remain a favorable fast-track for companies going into public equity markets, though this phenomenon has slowed down in 2Q due to increased scrutiny and attention from regulators.

The largest public offerings included Coupang, the South Korean e-commerce platform, Didi Global, the Chinese ride-sharing firm and Bumble, the Austin-based dating app, whose founder, Whitney Wolfe Herd, became the youngest female founder to take a company public at the age of 31. In the pipeline are Robinhood, Duolingo, and the Chinese-owned ByteDance, TikTok's parent company, among many others waiting in line to join the great IPO party of 2021.

Another noteworthy development in public equity markets were the Reddit investors and the rise of "meme stocks", when individual investors banded together to invest in stocks like GameStop and AMC, causing billions in losses to hedge funds who had large short positions in the same stocks. The phenomenon resulted in scrutiny into platforms like Reddit and Robinhood, and an update to investors' assumptions and perceptions about market risk.

The overall investor confidence is paralleled, if not amplified, in the US private equity market. According to PitchBook data, an estimated 3,708 deals closed in the first six months of 2021, worth $456 billion in total, nearly two-thirds of the 2020 total deal value. Activity took off especially during the second quarter of 2021 with the median deal size reaching an astonishing $75 million, tripling that of 1Q 2021. The theme of strong balance sheets is echoed here: US PE firms are estimated to have approximately $1 trillion of dry powder, ready to be invested.

The M&A market is no different. In the US, while the aggregate deal value for 2020 was already a record-breaking $985 billion, the first half of 2021 alone was just short of surpassing this amount, totaling $930 billion. An additional factor fueling the growth in the M&A queue is the capital gains tax hike planned by the Biden administration, giving shareholders a higher propensity to sell. Coupled with liquidity and investor confidence, bid-ask spreads are narrower, propping up the likelihood of deals closing.

Finally, another boom is in the venture capital world — according to the Q2 2021 Venture Monitor report published by Pitchbook and National Venture Capital Association, VC-backed companies raised $74 billion in the first half of this year, only $7 billion short of the total capital raised in the entire 2020. Between the first and second quarters of 2021, median deal sizes and median post-valuations have increased by 59% and 70%, respectively, indicating that the sky-rocketing valuations are here to stay.

At the beginning of 2021, we had a positive outlook on the market and the economy, conditional on the progress of vaccinations. Today, the tailwinds behind the market are still blowing strongly. Despite fears whether the US economy will eventually be caught by inflation and/or a bubble burst, there is good reason to believe that the positive economic indications are a result of resilience and right actions at the right time. As vaccinations and immunity take better hold in the world, we hope and expect that the spending and investment activity will remain strong enough for the entire population to come back to a much better normalcy than ever before.

Digital Health Headlines 7

Notable headlines from 1H 2021 are outlined in the following pages on a quarterly basis. The headlines in 1H 2021 illustrate the significant influence that policy and regulatory intervention has on the incentives that dictate digital health investment and innovation trends, the increasing vertical integration across healthcare, and the expanding presence of non-traditional companies in the digital health market.

Q1 Headlines

Haven, the Amazon-Berkshire-JPMorgan venture to disrupt health care, is disbanding after 3 years
January 4: The joint venture between Amazon, Berkshire Hathaway, and JP Morgan Chase was founded in 2018 to revolutionize how health insurance was managed and disrupt the healthcare industry. The three founding companies are expected to take lessons from the venture to continue to innovate individually and collaborate informally.

OptumInsight and Change Healthcare Combine to Advance a More Modern, Information and Technology-Enabled Health Care Platform
January 6: UnitedHealth's OptumInsight agreed to acquire Change Healthcare for approximately $8 billion and to assume $5 billion of Change Healthcare debt. The combination is expected to help improve clinical decision support at the point of care, reduce administrative waste, and enable transactional connectivity across the healthcare system.

Broad Coalition of Health and Technology Industry Leaders Announce Vaccination Credential Initiative to Accelerate Digital Access to COVID-19 Vaccination Records
January 14: The Vaccination Credential Initiative was formed in an effort to create a trustworthy, verifiable, and universally recognized digital record of vaccination status worldwide to safely enable people to return to work, school, events, and travel.

U.S. lawmakers reintroduce House bill safeguarding access to telehealth
January 25: A bipartisan group of U.S. representatives has reintroduced The Protecting Access to Post-COVID-19 Telehealth Act of 2021, a bill aimed at expanding access to telehealth beyond the COVID-19 pandemic. The bill avoids some of the thornier issues around telehealth, such as coverage parity or interstate licensing issues, while making permanent broadly popular policies such as eliminating geographic and originating site restrictions.

COVID-19 relief package includes health IT expansion
March 11: The $1.9 trillion American Rescue Plan allocates $500 million to support modernization initiatives at the Centers for Disease Control and Prevention, among other technology provisions. Like the coronavirus relief packages before it, the legislation acknowledges the role digital health tools can play in addressing the fallout from the COVID-19 crisis – and earmarks funds toward bolstering those tools, particularly in rural communities.

Amazon Care to launch across U.S. this summer, offering millions of individuals and families immediate access to high-quality medical care and advice

March 17: Amazon Care launched 18 months ago to provide Amazon employees and their families immediate access to high-quality medical care. The service enables employees to connect with medical professionals via chat or video conference (typically in less than 60 seconds) and eliminates lengthy wait and travel times to get medical attention. Companies of all sizes, including Amazon's own workforce, will be able to access Amazon Care's on-demand healthcare service, boosting workplace benefits for employees nationwide.

DOJ investigating UnitedHealth's $13B acquisition of Change

March 30: The U.S. Department of Justice is pursuing an investigation of UnitedHealth Group's $13 billion acquisition of data analytics company Change Healthcare, spurred in part by a letter sent to regulators this month by the American Hospital Association raising antitrust concerns. On March 17, the AHA wrote to Richard Powers, acting assistant attorney general of the DOJ's Antitrust Division, saying that the proposed merger threatens to reduce competition for the sale of healthcare information technology services to hospitals and other healthcare providers. That in turn could negatively impact consumers and health care providers, the AHA said.

ONC's top goals: Interoperability, alignment and equity

March 29: National Coordinator for Health IT Micky Tripathi said in a keynote for the agency's annual meeting that COVID-19 continues to be the main focus for the near future. ONC is involved in helping support the White House with regard to COVID-19 vaccine credentials, as well as with developing a basic FHIR approach to vaccine scheduling, said Tripathi. "We're certainly not out of the woods yet," he said. "We continue to have very hard work to do." Tripathi flagged the importance of making interoperability a priority, including figuring out how local, state and regional health information exchange networks fit within nationwide ones.

Q2 HEADLINES

Microsoft buys Nuance for nearly $20 billion as it readies deal frenzy

April 12: Microsoft announced it would buy Nuance Communications, a software company that focuses on speech recognition through artificial intelligence, in an all-cash transaction valued at $19.7 billion. This is Microsoft's second-largest acquisition, behind the $26.2 billion deal for LinkedIn in 2016. Microsoft is trying to leapfrog competitors like Google and Amazon as they face record antitrust scrutiny.

Information blocking rules take effect

April 12: The information blocking rule enacted as part of the 21st Century Cures Act has officially taken effect. According to a blog post from the Office of the National Coordinator for Health Information Technology (ONC), the law defines information blocking and establishes penalties for those who interfere with the access, exchange, or use of electronic health information. The ONC rule establishes new regulations to prevent health information blocking, or anti-competitive behaviors, by healthcare providers, developers of health information technology, health information exchanges, and health information networks, as previously reported.

Biden outlines health IT funding priorities

April 13: The Biden administration released a letter outlining President Joe Biden's request for fiscal year 2022 discretionary funding in advance of Congress's annual appropriations and budget process. The extensive list includes billions in funding for public health data modernization, broadband and 5G expansion, social determinants of health, cybersecurity and more.

100 million US adults are now fully vaccinated, White House says

April 22: The US has administered approximately 237 million shots of the three Covid-19 vaccines as of April 22, according to the US Centers for Disease Control and Prevention. The Biden administration doubled and surpassed its initial goal of 100 million Covid-19 vaccine doses administered in its first 100 days, reaching the 200 million benchmark on April 21. It has been racing to get shots in arms as variants spread throughout the country. The White House has poured resources into educating the American public about the safety and efficacy of the three Covid-19 vaccines that have received emergency use authorization by the US Food and Drug Association.

Healthcare hackers demanded an average ransom of $4.6M last year, says BakerHostetler

May 4: The latest edition of the annual BakerHostetler Data Security Incident Response Report found that ransomware in 2020 continued to be a threat – and that many cases resulted in lawsuits. Healthcare was one of the industries most affected by tracked ransomware incidents, second only to education. And for organizations covered by the report, the average initial ransomware demand was a whopping $4,583,090. At a time when healthcare system resources already are strained from the effects of COVID-19, ransomware can be particularly devastating.

ONC announces launch of Health Interoperability Outcomes 2030 initiative

May 13: The U.S. Office of the National Coordinator for Health IT announced the launch of its Health Interoperability Outcomes 2030 effort, aimed at building on current interoperability efforts and working toward longer-term strategies.

European Union vaccine passports issued in 17 countries

June 21: The vaccine passport (formally known as the EU Digital Green Certificate) provides digital proof whether a person has been vaccinated against COVID-19, received a negative test result or recovered from the virus. Member states are obliged to start issuing the first certificates within six weeks of 1 July, when the EU Digital COVID Certificate Regulation enters into application. The EDCC aims to facilitate safe and free movement in Europe during the COVID-19 pandemic by exempting holders from travel restrictions such as needing to quarantine.

Biden administration aims to further rebuild ACA with proposed rule

June 29: The Biden administration is planning to restore key parts of the Affordable Care Act that were pared back by the Trump administration as the current HHS aims to make enrolling in an exchange plan easier and more affordable. Under a proposed rule released Monday, CMS would lengthen the annual open enrollment period, expand the role of navigators, repeal the option for direct enrollment through private entities and do away with Trump-era guidelines for ACA waivers that were criticized for allowing states to skirt the law's requirements for adequate coverage.

About Healthcare Growth Partners 8

Healthcare Growth Partners (HGP) is an exceptionally experienced Investment Banking & Strategic Advisory firm exclusively focused on the transformational digital health market. We unlock value for our clients through our Sell-Side Advisory, Buy-Side Advisory, Capital Advisory, and Pre-Transaction Growth Strategy services, functioning as the exclusive investment banking advisor to over 125 digital health transactions representing over $3 billion in value since 2007.

Our passion for healthcare inspires us to not only create value for our clients, but to also generate broad, overarching improvements to the functionality and sustainability of health. With our focus, we deliver knowledgeable, honest and customized guidance to select clients looking to execute high value digital health, health IT, and health information services transactions.

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Sources of Information:

Pitchbook, company press releases, company SEC filings, Healthcare Growth Partners database, Deloitte, Fortune, Healthcare IT News, HIStalk, Mercom Capital Group, NVCA, Preqin, PwC, Reuters, The New York Times, and The Wall Street Journal.

These statistics are presented for informational purposes only. While the information presented has been obtained from sources deemed to be reliable, no representation or warranty, express or implied, is made as to the accuracy or completeness of such information.

HGP Transaction Experience

MDTech has been acquired by Evercommerce SELL-SIDE 2021	imprivata has acquired XTON technologies BUY-SIDE 2021	medullan has been acquired by ZS SELL-SIDE 2021	MILLENNIA has acquired Jellyfish BUY-SIDE 2021	prognoCIS By Bizmatics has been acquired by HARRIS SELL-SIDE 2021	symplr has acquired Phynd BUY-SIDE 2021
pmg has been acquired by CORONIS SELL-SIDE 2020	HIPAA One has been acquired by Intraprise HEALTH SELL-SIDE 2020	patient matters has been acquired by firstsource SELL-SIDE 2020	DIGISONICS has been acquired by Intelerad SELL-SIDE 2020	ontellus has acquired INTERTEL BUY-SIDE 2020	ePreop has been acquired by provation SELL-SIDE 2020
symplr has acquired Wolters Kluwer ComplyTrack BUY-SIDE 2020	symplr has acquired the patient safety company BUY-SIDE 2020	alertmd has been acquired by Evercommerce SELL-SIDE 2020	ImPACT Applications, Inc. has been acquired by Riverside Insights SELL-SIDE 2019	ACCUMEN has acquired [illegible] BUY-SIDE 2019	OmniSYS has acquired STRAND BUY-SIDE 2019
clearwave received funding from FrontierCapital CAPITAL RAISE 2019	Diameter Health received funding from OPTUM GROWTH STRATEGY 2018	ChartSwap has been acquired by ontellus SELL-SIDE 2018	RPA has been acquired by JENSEN HUGHES SELL-SIDE 2017	ontellus has acquired Record Retrieval Service BUY-SIDE 2017	Kognito has been acquired by ascend learning SELL-SIDE 2017
Progressive INNOVATION Healthcare has been acquired by Azalea Health Innovations SELL-SIDE 2017	callpointe has been acquired by west SELL-SIDE 2017	symplr has acquired VISTAR BUY-SIDE 2017	ClockwiseMD has been acquired by DocuTAP SELL-SIDE 2017	OmniSYS has acquired voiceTech BUY-SIDE 2017	HIGH LINE Health has been acquired by onecallcare management SELL-SIDE 2017
essette has been acquired by hms SELL-SIDE 2016	Array Health has been acquired by GetInsured SELL-SIDE 2016	Keais Records Retrieval has acquired second IMAGE national BUY-SIDE 2016	Lightbeam Health Solutions has acquired Browsersoft BUY-SIDE 2016	symplr has acquired cactus BUY-SIDE 2016	InformedDNA received funding from Anthem CAPITAL RAISE 2016

Company	Transaction	Counterparty	Type	Year
docbookMD	has been acquired by	scrypt	SELL-SIDE	2016
Lightbeam Health Solutions	received funding from	Hearst corporation	CAPITAL RAISE	2016
Vivify health	received funding from	UPMC	CAPITAL RAISE	2016
Nextech	has acquired	SupraMed	BUY-SIDE	2016
Shareable	has been acquired by	Digital Reasoning	SELL-SIDE	2016
iVantage	has been acquired by	The Chartis Group	SELL-SIDE	2015
clienttell	has been acquired by	west	SELL-SIDE	2015
LWSI	has been acquired by	Netsmart	SELL-SIDE	2015
ClockwiseMD	received funding from	martin ventures	CAPITAL RAISE	2015
Med	has been acquired by	Modernizing Medicine	SELL-SIDE	2015
sentry data systems	received funding from	ABRY Partners	CAPITAL RAISE	2015
symplr	has acquired		BUY-SIDE	2015
Provider Advantage	has been acquired by	The SSI Group, Inc.	SELL-SIDE	2015
Lightbeam Health Solutions	received funding from	Strategic Investor	CAPITAL RAISE	2015
Generation Partners	has invested in	ZirMed	CAPITAL RAISE	2015
HealthUnity	has been acquired by	ZeOmega	SELL-SIDE	2015
MERGE Healthcare	has acquired	DR Systems	BUY-SIDE	2015
Keais Records Retrieval	has been recapitalized by	CapStreet	CAPITAL RAISE	2015
HSM Inc.	has been acquired by	Magellan Health	SELL-SIDE	2015
Vivify health	received funding from	LabCorp	CAPITAL RAISE	2014
Patient Prompt	has been acquired by	Stericycle	SELL-SIDE	2014
Array Health	received funding from	NMP	CAPITAL RAISE	2014
livongo Health	received funding from	General Catalyst Partners	CAPITAL RAISE	2014
VCS	has acquired	Medkinetics	BUY-SIDE	2014
net health	has acquired	ReDoc	BUY-SIDE	2014
healthpost	has been acquired by	The Advisory Board Company	SELL-SIDE	2014
Immediate MD	received funding from	First Trust	CAPITAL RAISE	2014
livongo health	received funding from	7wire ventures	CAPITAL RAISE	2013
care team connect	has been acquired by	The Advisory Board Company	SELL-SIDE	2013
Conversio Health	received funding from	Heritage Group	CAPITAL RAISE	2013
Medibis	has been acquired by	The SSI Group, Inc.	SELL-SIDE	2013
Integritas Inc.	has been acquired by	net health	SELL-SIDE	2013
Vivify health	received funding from	Heritage Group	CAPITAL RAISE	2013
GIN	has been acquired by	Greenway Health	SELL-SIDE	2012
Hearst corporation	has acquired	mcg	BUY-SIDE	2012
HealthTech Holdings, Inc.	has acquired	acuitec	BUY-SIDE	2012

Company	Transaction	Counterparty	Type	Year
L&S Associates	has been acquired by	Human Arc	SELL-SIDE	2012
net health	has been acquired by	Spectrum Equity	SELL-SIDE	2012
studymanager	has been acquired by	Merge Healthcare	SELL-SIDE	2012
gate	has been acquired by	SCI Solutions	SELL-SIDE	2012
DocuTAP	received funding from	Bluffpoint Associates	CAPITAL RAISE	2012
Clinical Coding Solutions	has been acquired by	The I3 System	SELL-SIDE	2012
OptiLink Division of The Advisory Board Company	has been acquired by	Kronos	SELL-SIDE	2012
MedDirect	has been acquired by	MedData	SELL-SIDE	2011
Emergisoft	has been acquired by	Forerun	SELL-SIDE	2011
QSI	has acquired	ViaTrack Systems	BUY-SIDE	2011
Innovation	has acquired	Creative	BUY-SIDE	2011
Intuitive Medical Software	has been acquired by	endo Pharmaceuticals	SELL-SIDE	2011
OIS	has been acquired by	Merge Healthcare	SELL-SIDE	2011
QSI	has acquired	cqi solutions	BUY-SIDE	2011
Taylor Communications	has acquired	DialogMEDICAL	BUY-SIDE	2011
IntraNexus	has been acquired by	QSI	SELL-SIDE	2011
myhealth direct	received funding from	Arboretum Ventures	CAPITAL RAISE	2011
Cardon	received funding from	Serent Capital	CAPITAL RAISE	2011
SXC Health Solutions, Inc.	has acquired	AssuranceRX, LLC	BUY-SIDE	2010
SXC Health Solutions, Inc.	has acquired	MedfusionRx	BUY-SIDE	2010
MedSolutions	received funding from	TA Associates	CAPITAL RAISE	2010
fletcherflora	has been acquired by	Merge Healthcare	SELL-SIDE	2010
Satori Labs	has been acquired by	QSI	SELL-SIDE	2010
Innovation	received funding from	openview	CAPITAL RAISE	2010
Merge Healthcare	has acquired	Olivia Greets	BUY-SIDE	2010
Merge Healthcare	has acquired	stryker	BUY-SIDE	2010
DocuSys	has been acquired by	Merge Healthcare	SELL-SIDE	2010
eWebHealth	has been acquired by	Hyland	SELL-SIDE	2010
[illegible]	has been acquired by	QSI	SELL-SIDE	2010
MedHost	has been acquired by	HealthTech Holdings, Inc.	SELL-SIDE	2010
myhealth direct	received funding from	Chrysalis Ventures	CAPITAL RAISE	2009
TeleTracking	has acquired	Aionex	BUY-SIDE	2009
ANS	has been acquired by	inMediata	SELL-SIDE	2009
IKOE	has been acquired by	Varian medical systems	SELL-SIDE	2009
SXC Health Solutions, Inc.	has acquired	JASCORP	BUY-SIDE	2009
TeleTracking	has acquired	Hill-Rom	BUY-SIDE	2009