Healthcare Technology M&A Market Update

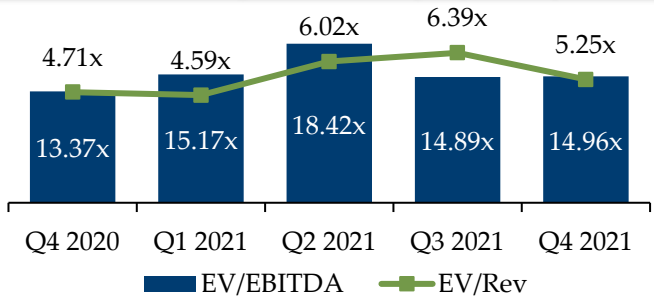
Market Commentary

- The healthcare technology M&A market exceeded 300 transactions for the second consecutive year. We expect continued growth in transaction volume in 2022 as the digital transformation of health services drives investment.
- The COVID-19 pandemic continued to accelerate the shift from traditional, facility-based care to home-based care solutions as consumers looked to avoid in-person visits to providers and hospitals operating above capacity.
- Digital patient engagement was a major trend in 2021 which we expect to continue this year. Buyers are paying a premium for platforms that simplify how patients manage their healthcare and engage with providers.

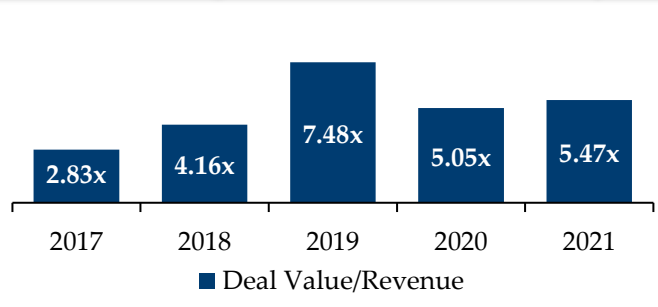
Recent Healthcare Technology Transactions

Announce Date	Acquirer	Target	Sub Sector	Deal Value (MM)	Multiples	
					Revenue	EBITDA
01/18/22	American Financial Group, Inc. (NYSE: AFG)	Verikai, Inc.	Artificial Intelligence	$ 120	N/A	N/A
01/10/22	R1 RCM Inc. (NASDAQ:RCM)	Cloudmed Solutions LLC	RCM	3,243	N/A	N/A
12/21/21	Oracle Corporation (NYSE: ORCL)	Cerner Corp. (NASDAQ: CERN)	RCM/EHR	28,300	5.0x	19.3x
11/22/21	Bain Capital and Hellman & Friedman	Athenahealth Inc.	RCM/EHR	17,000	N/A	N/A
10/22/21	23andMe Holding Co. (NASDAQ: ME)	Lemonaid Health	Telehealth	400	N/A	N/A
10/14/21	Walgreens Boots Alliance (NASDAQ: WBA)	VillageMD	Primary Care Platform	5,200	N/A	N/A
08/19/21	Investor Group	Inovalon Holdings (NASDAQ: INOV)	Data and Analytics	7,300	10.2x	NM
08/11/21	Sharecare, Inc. (NASDAQ: SHCR)	CareLinx Incorporated[1]	Patient Engagement Platform	65	13.0x	N/A
08/03/21	ModivCare Inc. (NASDAQ: MODV)	VRI Intermediate Holdings	Remote Patient Monitoring	315	5.6x	15.0x
07/29/21	American Well Corporation (NYSE:AMWL)	Conversa Health and SilverCloud Health[2]	Telehealth and Behavioral Health	320	21.3x	N/A
05/13/21	Cedar Cares, Inc.	OODA Health, Inc.	Healthcare Admin./Payments	425	N/A	N/A
05/04/21	R1 RCM Inc. (NASDAQ: RCM)	VisitPay Inc.	RCM	300	N/A	N/A
02/12/21	Falcon Capital Acquisition Corp. (NASDAQ: FCAC)	Sharecare, Inc.	Digital Health	3,900	9.5x	N/A
01/21/21	Boston Scientific Corp. (NYSE: BSX)	Preventice Solutions, Inc.[3]	Remote Patient Monitoring	1,225	7.8x	N/A

Historical Average Public Company Multiples[4]



Historical Average Precedent Transaction Multiples



Select Sherman & Company Healthcare Sell-Side Advisory Transactions

HealthTrio® LLC has acquired ONLINE INSIGHT — Sell-Side Advisor

BeneSys has acquired BEACON TECHNOLOGIES GROUP, INC. — Sell-Side Advisor

DNA Dedicated Nursing Associates, Inc. has acquired VITAL MEDICAL STAFFING — Sell-Side Advisor

EBIX has acquired beBetter HEALTH — Sell-Side Advisor

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Sources: Sherman & Company, S&P MI, relevant press releases.
Footnotes: 1. 13.0x multiple based on 2020 revenues. 3.5x on expected 2021 revenue. **2.** Transactions for separate acquisitions announced on same date. **3.** Deal value includes a $300 million potential commercial milestone payment. **4.** Market capitalization as of 12/31/21. LTM financials as of most recent available filings.