



TELEMEDICINE REPORT

H1 2024

TELEMEDICINE H1 2024 KEY TRENDS

M&A RECOVERS, FUNDRAISING STABILIZES, VALUATIONS REMAIN BELOW COVID-19 PEAK

Main Trends

Recovering M&A activity

Telemedicine M&A activity **increased** during **H1 2024**, with 28 deals compared to 22 in H1 2023 and 20 in H2 2023. In H1 2024, the US represented a **larger proportion** of telemedicine M&A activity, completing 20 deals (71% of total deals) compared to 13 deals (60% of total deals) in H1 2023

Main rationales for M&A transactions were **integrations** from external players such as insurance and healthcare companies and **product offering reinforcements** from Telemedicine players

Fundraising activity stabilizes

Fundraising activity in H1 2024 has decreased by 10% compared to H1 2023, with only 109 deals completed in the first semester but still increased by 30% compared to H2 2023. The US were the most active with 84 deals recorded during the period, representing over 77% of the fundraising number

While still predominant, **Seed** and **Early-stage** fundraising activity slightly decreased in proportion. More mature fundraisings, such as growth and expansion investments, increased, already reaching the total level of 2023

Challenging telemedicine environment

It's worth emphasizing that the telemedicine sector accounts for **€102.2bn** worldwide, a mere **0.02%** of the global healthcare market

The Drake Star telemedicine index⁽¹⁾ declined by **20.7% in H1 2024**, underperforming the NASDAQ (17.8%) and S&P 500 (14.5%)

Investors favored profit-centric companies with strong fundamentals, showing a conservative investment trend. Consequently, weaker telemedicine entities lagged behind

Comments

- In this document, we provide a **H1 2024 update** to the Drake Star European & US telemedicine report
- M&A activity in the first half of 2024 remained low due to a **lack of consolidators** and a continued focus on **local markets**. However, it **stabilized** compared to 2023, driven by an acceleration of M&A activity in the US
- Despite venture capitalists still facing liquidity crunch, telemedicine fundraising activity also **stabilized** compared to 2023 after several years of slowdown following the COVID 19 pandemic
- Since COVID-19, listed telemedicine valuations have sharply declined and remain low, with companies in the Drake Star Telemedicine Index trading at **2.7 times** revenue, down from the historical average of **4.0 times** (excluding the COVID-19 valuation spike)
- The telemedicine sector is currently undergoing a significant restructuring phase, weeding out non-profitable companies like **Babylon Health** and forcing others to reorganize, such as **Teladoc**, whose founder, Jason Gorevic, stepped down in April 2024



LAWRENCE GIESEN
Partner at Drake Star

“During the COVID-19 pandemic, telemedicine valuations peaked due to the urgent need for remote healthcare. Currently, valuations aim to capture the market's potential, which remains fragmented with many start-ups emerging. Revenue growth is limited by the number of telemedicine consultations the population can support, so operators focus on gross margin and profitability. High capital expenditure is needed for technological updates. No global consolidator has emerged yet, and M&A activity is mainly tech-driven or for geographic expansions, but transactions remain small”

Notes: ⁽¹⁾ Drake Star telemedicine index gathers public telemedicine companies on a global basis. “Drake Star telemedicine index” is not a fund. The “index” is a number of global public telemedicine companies Drake Star tracks. The full list of companies included in the “index” is available on page 17. This report is published solely for informational purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy any security. The information herein is based on sources we believe to be reliable but is not guaranteed by us and we assume no liability for its use. Any opinions expressed herein are statements of our judgment on this date and are subject to change without notice.
Source: Pitchbook, Capital IQ, Drake Star proprietary research, Fortune Business Insights, Trecento AM

TELEMEDICINE H2 2024 KEY TRENDS

TECHNOLOGY ADVANCES & NEW MARKET OPPORTUNITIES SET TO DRIVE RAPID EVOLUTION

Main Trends

AI integration

Advancements in AI and data analytics enable healthcare practitioners to integrate diagnostics, risk prediction, and personalized treatment planning with increased **accuracy** and **automation**

These capabilities will be **crucial** to address future **healthcare challenges** such as healthcare staff shortage, increasing need for remote chronic care management and healthcare cost reduction

Telemedicine regulation implementation

Regulatory changes of telemedicine activities are being implemented and set **permanently** among many countries such as the US, UK and EU countries to balance the flexibility introduced during the COVID-19 pandemic with the need for appropriate safeguards

These regulatory changes will **integrate** telemedicine more deeply into healthcare systems

New markets emergence

Telemedicine is no longer limited to general medicine and is expanding into specialized medical fields such as **telesurgery**, **telepsychiatry**, and **teleophthalmology**. These developments in specialized care help remove geographical barriers and access to medical specialists

This expansion will create **new market opportunities** for telemedicine solution providers, allowing them to develop new **products and services**

Comments

- Over the medium to long term, we believe that investors will draw their attention towards return on investment, i.e., profitability of telemedicine platforms to cash out the prior investments to help companies grow
- **New regulations implementation** should bring more certainties to the telemedicine market, enabling investors to make **informed assessments** of companies' growth potential, thereby **stabilizing valuations** soon
- The **accelerated US deal activity** observed during H1 2024 might present a **weak signal** hinting at similar trends that will materialize in **Europe** by late 2024 or early 2025
- The continued **emergence of innovative telemedicine** start-ups driven by the integration of AI technology and the expansion of telemedicine into specialized medical field should provide investors with **attractive investment opportunities**
- Overall, we believe that **highly fragmented** and **busy market** coupled with difficult **economic environment** should present an opportunity for leading telemedicine players and investors to consolidate the market by acquiring innovative start-ups struggling to raise capital and meet increased demand from healthcare providers for **unified solutions**



CHRISTOPHE MORVAN
Managing Partner at Drake Star

“Looking ahead, The telemedicine market is set to undergo rapid evolution as technology advances and new market opportunities emerge. Permanent regulations enacted by government bodies after the temporary measures set during Covid-19 are likely to shape the trajectory of telemedicine, reducing speculation for investors and confirming the discreet recovery in deal activity observed in this first semester.”

Source: Devabit, BCG, Emerline, Drake Star research

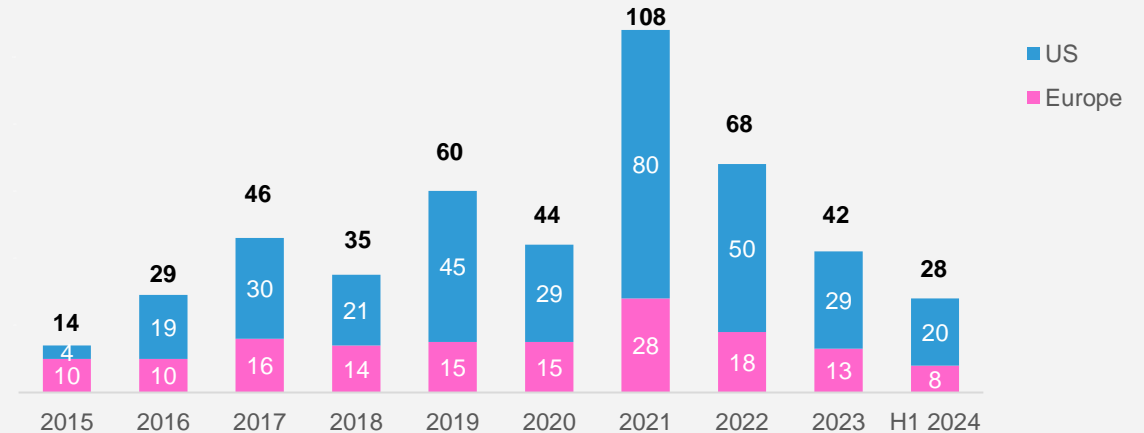
M&A TRANSACTIONS H1 2024 KEY TRENDS

TELEMEDICINE M&A ACTIVITY REMAINS LOW BUT SHOWS SIGNS OF A POTENTIAL REBOUND IN H1 2024

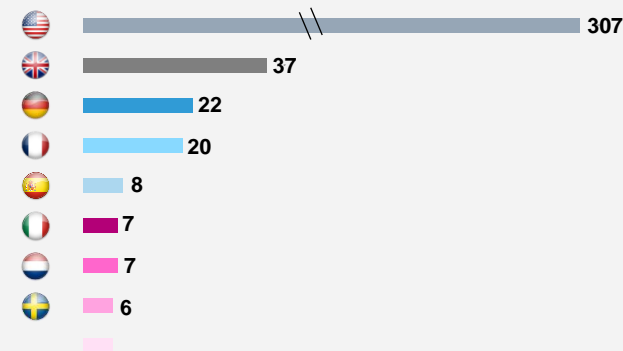
Comments

- During the first half of 2024, M&A activity in the telemedicine sector within the EU and US remained low, with only 28 deals recorded. However, this represents an improvement compared to the 22 deals completed in H1 2023 and marks a 40% increase from H2 2023, indicating a potential rebound in the M&A activity
- The majority of these deals occurred in the US, accounting for over 71% of the total deal flow. This marks a reversal last year first semester's trend, which showed an increasing proportion of EU deals in H1 2023. Only 8 telemedicine M&A deals were recorded in Europe in H1 2024
- In the first half of 2024, the standout deal was the acquisition of **Cloudbreak Health**, a leading video-focused language interpretation service provider, by **GTCR**, a leading US private equity firm for €166m
- In Europe, the **UK** and Germany were the only countries to record multiple deals, while France, Italy, and Norway each recorded only one deal. The deals in the UK were driven by **Axa** and its subsidiary, **PPP Taking Care**, which respectively acquired **Healthcare Business Solutions** (UK) and **Technicare**
- Overall, M&A transactions in the first half of 2024 have been driven by the historically most active countries in telemedicine M&A activity, including the US, UK, France, Germany, and Italy

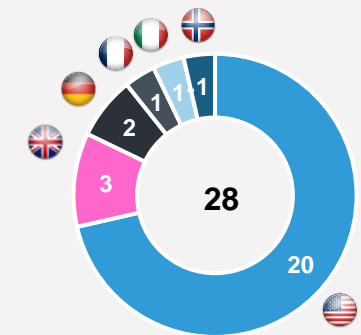
NUMBER OF M&A TRANSACTIONS IN TELEMEDICINE



LEADING COUNTRIES BY NUMBER OF TRANSACTIONS, (2015-2023)



























TRANSACTIONS PER COUNTRY, H1 2024



Source: Pitchbook

SELECTED H1 2024 RELEVANT M&A DEALS

TARGET	SUBSECTOR	COUNTRY	AMOUNT	ACQUIRER	DATE
	Remote consultation / Specialty care		N.A		May-2024
	Remote patient monitoring		N.A		Apr-2024
P i L L C L U B	Remote pharmacy		N.A		Apr-2024
	Remote consultation		€165.9m		Mar-2024
	Remote patient monitoring		N.A		Mar-2024
	Remote consultation / Clinician selection/ e-booking tools		N.A		Feb-2024
Confrere.	Remote consultation		N.A		Feb-2024
	Remote consultation / e-booking tools		N.A		Jan-2024
BRIGHT·MD	Remote consultation		N.A		Jan-2024

FOCUS ON US & EU M&A DEALS IN THE TELEMEDICINE MARKET, H1 2024



DEAL DESCRIPTION ⁽¹⁾

With this acquisition, Centivo broadened its portfolio of customers, serving more than 160 employers and expanded its reach to all 50 states of the US

May 20th, 2024 | New York, United States

BUSINESS DESCRIPTION

Operator of a virtual primary care and insurance navigation platform designed to elevate the health and well-being of employees everywhere. Eden Health's platform helps employees navigate today's complicated healthcare landscape across insurance, primary care and mental healthcare, enabling clients to make smart, well-informed and cost-conscious decisions

KEY PERSONNEL

Matthew Mccambridge - Co-Founder & CEO
Antonio Cueto - CFO

2016 263 €127m ⁽²⁾
 B2B Remote consultation / Specialty care

KEY SHAREHOLDERS ⁽³⁾



DEAL DESCRIPTION

With this acquisition, PMD Solutions strengthened its product portfolio in specialty healthcare, focusing on cardiology, endocrinology, nephrology and home health

April 26th, 2024 | Spring, United States

BUSINESS DESCRIPTION

Developer and provider of virtual hospitals and health care management services. Qorum Partners offers multiple solutions including remote patient monitoring (RPM), chronic care management (CCM) and principal care management (PCM)

KEY PERSONNEL

Amy Davalle - President
Jason Moran - Senior VP of operations

2008 36 N.A.
 B2B Remote patient monitoring

KEY SHAREHOLDERS ⁽²⁾



DEAL DESCRIPTION

With this acquisition, Twenty Eighty served Pill Club's customer base after the start-up faced financial difficulties

April 20th, 2024 | Addison, United States

BUSINESS DESCRIPTION

Provider of an online birth control prescription and delivery service intended to simplify access to birth control. Pill Club provides a personalized and connected healthcare experience by delivering birth control, emergency contraceptives, and free gifts, enabling women to take ownership of their health

KEY PERSONNEL

Nicholas Chang MD - Co-Founder & Chairman
Liz MeyerDirk - CEO

2014 248 €130m ⁽¹⁾
 B2C Online pharmacy

KEY SHAREHOLDERS ⁽²⁾

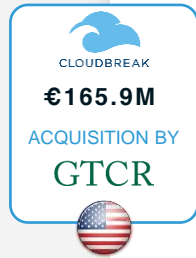


Notes: ⁽¹⁾ Drake Star did not act as a financial advisor for the transactions in this report if not stated otherwise

⁽²⁾ Total funding raised to date

⁽³⁾ Key shareholders of the acquired company at the time of the transaction

FOCUS ON US & EU M&A DEALS IN THE TELEMEDICINE MARKET, H1 2024



DEAL DESCRIPTION ⁽¹⁾

With this acquisition from UpHealth, GTCR supported Cloudbreak's product offering development

March 15th, 2024 | Columbus, United States

BUSINESS DESCRIPTION

Provider of language access and telehealth services intended to transform telehealth and humanize healthcare for patients and organizations. Cloudbreak offers telepsychiatry, telestroke, tele-quarantine, remote patient monitoring and other specialties through an innovative and secure platform

KEY PERSONNEL

Andrew Panos - Co-founder & President
Mike Schmidt - CFO

2019
B2C
41
Remote Consultation
€1.0m ⁽²⁾

KEY SHAREHOLDERS ⁽³⁾



DEAL DESCRIPTION

With this acquisition, PPP Taking integrated the proprietary technology developed by Technicare solutions to develop a new preventive platform for elderly

March 11th, 2024 | London, United Kingdom

BUSINESS DESCRIPTION

Developer of healthcare monitoring software intended to serve its clients in the healthcare industry. Technicare offers real-time remote patient monitoring and predictive analytics for healthcare professionals, enabling early discharge, virtual wards, and hospital at-home services while preventing admission deterioration

KEY PERSONNEL

Jason Harries - CEO
Paul Hermolle - CIO

2017
B2B
75
Remote patient monitoring
N.A.

KEY SHAREHOLDERS ⁽²⁾

N.A.



DEAL DESCRIPTION

With this acquisition, Axa health members provided its members with a direct access to clinician care. The acquisition also enabled healthcare business solutions to develop new products and services for the NHS

February 16th, 2024 | Annesly, United Kingdom

BUSINESS DESCRIPTION

Developer of a digital triage platform designed to support patients through their assessments and treatment. Healthcare Business Solution's application offers online triage, remote consultations and online appointment booking

KEY PERSONNEL

Dave Mezher - CEO
Michael Monk - CFO
Lucy Pittaway - COO

2012
B2B
96
Remote consultation / Clinician selection / e-booking tools
N.A.

KEY SHAREHOLDERS ⁽²⁾

N.A.

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FOCUS ON US & EU M&A DEALS IN THE TELEMEDICINE MARKET, H1 2024

Confrere.
N.A.
ACQUISITION BY
compodium



DEAL DESCRIPTION ⁽¹⁾

With this acquisition, Compodium expanded its services to Norway and diversified its product offering






February 7th, 2024 | Oslo, Norway

BUSINESS DESCRIPTION

Developer of a video conferencing platform designed to improve meetings between healthcare professionals and patients. Confrere's platform lets users meet patients via video in the browser and offers users to sell their services directly from the software, enabling healthcare professionals to securely communicate with the patients

KEY PERSONNEL

N.A.

 2017
  26
  €2.1m ⁽²⁾
 B2B
  Remote Consultation

KEY SHAREHOLDERS ⁽³⁾



EYECARE LIVE
N.A.
ACQUISITION BY
Visibly



DEAL DESCRIPTION

With this acquisition, Visibly expanded its healthcare digital solutions by integrating EyecareLive's video consultation technology



January 18th, 2024 | Santa Clarke, United States

BUSINESS DESCRIPTION

Developer of telemedicine software designed for optometrist clinics for eye care. EyeCare Live's software provides customizable patient surveys, online booking appointments and communication system between patients and healthcare professionals

KEY PERSONNEL

Dave Mezher - CEO
Michael Monk - CFO

 2012
  28
  €5.8m ⁽¹⁾
 B2B
  Remote consultation / Clinician selection / e-booking tools

KEY SHAREHOLDERS ⁽²⁾



Johnson&Johnson

BRIGHT-MD
N.A.
ACQUISITION BY
98point6



DEAL DESCRIPTION

With this acquisition, 98point6 reinforced its on-demand virtual care software product by integrating Bright MD's asynchronous consultation module






January 1st, 2024 | Portland, United States

BUSINESS DESCRIPTION

Operator of a healthcare automation company intended to customize care options for escalation handoffs. Bright MD is based on an AI-powered care automation platform enabling clients with healthcare systems to offer a virtual front door for their patients

KEY PERSONNEL

Scott Vertrees - CEO
Justin Zaghi - Chief Medical Officer and President
Ravi Guha - CFO

 2014
  50
  €26.8m ⁽¹⁾
 B2B
  Remote consultation

KEY SHAREHOLDERS ⁽²⁾



B Capital

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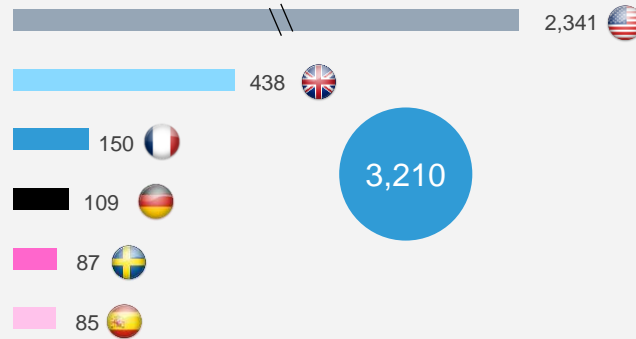
FUNDRAISING H1 2024 KEY TRENDS

THE US REMAINS THE POWERHOUSE OF TELEMEDICINE FUNDRAISING

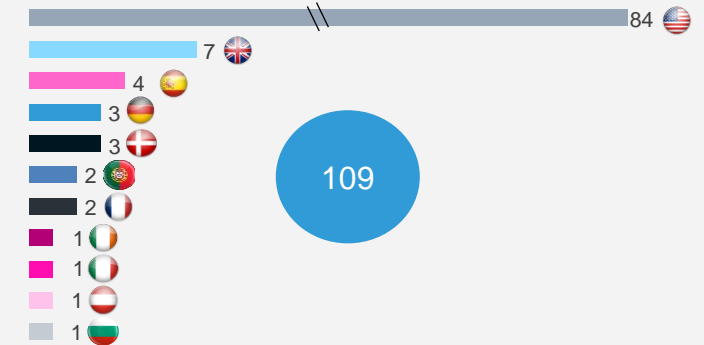
Comments

- The United States remains the most dominant country in telemedicine fundraising activity, with over **2,341 fundraisings** completed between 2015 and 2023. In the same period, the five most active European countries combined have completed **869 fundraisings**. The UK is still the second most active country in the telemedicine sector, **totaling more fundraisings** than the rest of the top five EU countries combined
- In terms of funds raised, the **US** and the **UK** remain the uncontested leaders in the telemedicine sector, having raised respectively **€24.9Bn** and **€3.5Bn**. However, **Germany** is slowly catching up, having raised more than **€1 billion** over the last years. Historically, Germany was late to telemedicine, legislating in favor of it only in 2015
- In H1 2024, there were 109 global fundraising events, with the U.S. dominating the telemedicine sector, accounting for over **95%** of the disclosed amount raised, totaling **€834m**
- The EU's proportionate share of number of fundraising deals **decreased** from **28%** in 2023 to **21%** in H1 2024

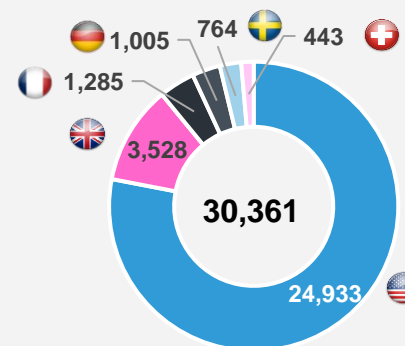
TELEMEDICINE'S LEADING COUNTRIES BY NUMBER OF FUNDRAISINGS, 2015-2023



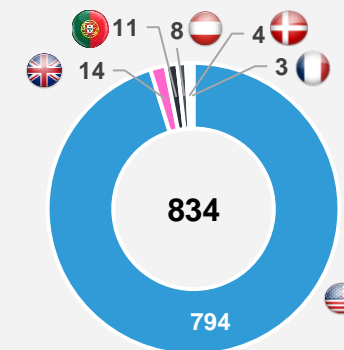
NUMBER FUNDRAISINGS PER COUNTRY, H1 2024



TELEMEDICINE'S LEADING COUNTRIES BY TOTAL AMOUNT RAISED AND DISCLOSED, 2015-2023 (IN €M)



TOTAL AMOUNT RAISED AND DISCLOSED PER COUNTRY, H1 2024 (IN €M)



Source: Pitchbook

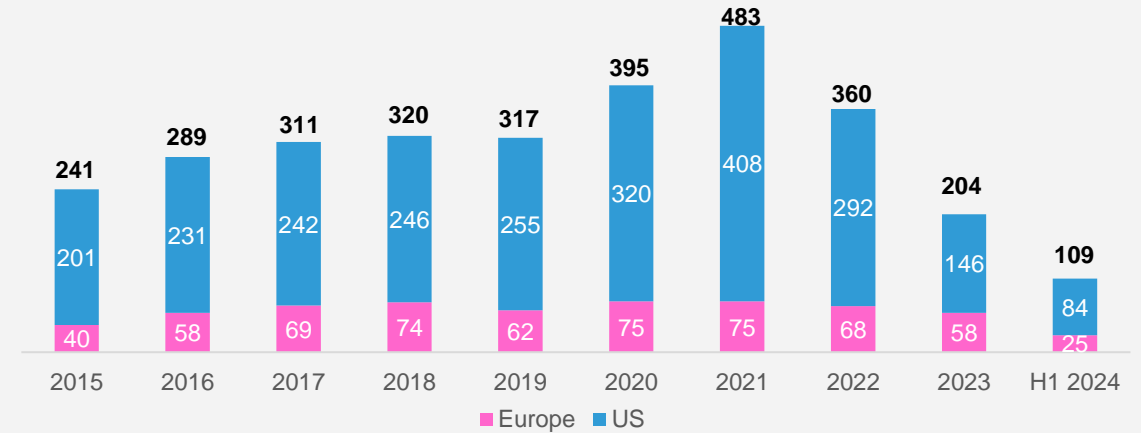
FUNDRAISING H1 2024 KEY TRENDS

FUNDRAISING ACTIVITY STABILIZES, WITH INCREASED GROWTH INVESTMENTS

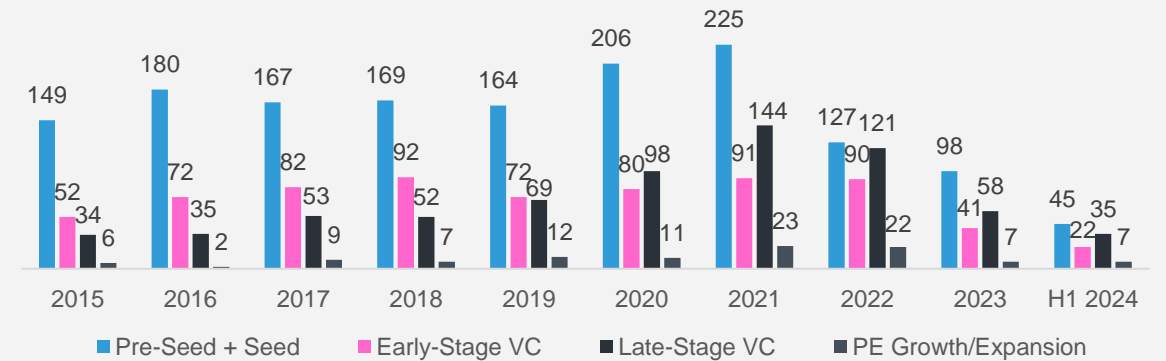
Comments

- In Europe and in the US, investments in H1 2024 amounted to 109, representing a significant 10% year-on-year drop in fundraising activity. However, the number of fundraising increased by 30% compared to H2 2023, which recorded 84 fundraisings
- Europe's fundraising activity has dropped during H1 2024 with only 25 fundraisings recorded during the H1 2024 period, accounting for 23% of the deals in the US & EU versus 28% in 2023
- Over the past three years, fundraising activity in the telemedicine sector has experienced a steady decline. This trend can be attributed to the surge in activity during the COVID-19 pandemic and the subsequent increase in interest rates in 2023
- While pre-seed and seed investments continue to dominate in 2024 in both Europe and the US, they have suffered from a significant 17% decrease. Early investments (seed and early-stage VC) now account for 61% of total investments, down from 68% in 2023. In contrast, growth investments nearly doubled in H1 2024, reaching 7 deals compared to 4 in H1 2023, indicating that investors are potentially starting to shift their focus on more mature companies

NUMBER OF FUNDRAISINGS IN TELEMEDICINE































TELEMEDICINE'S FUNDRAISING LANDSCAPE BREAKDOWN BY INVESTMENT TYPE IN EUROPE & US



Source: Pitchbook

SELECTED H1 2024 RELEVANT FUNDRAISING

COMPANY	SUBSECTOR	COUNTRY	AMOUNT	LEAD INVESTOR(S)	DATE
	Symptom checker		€8.0m	 	Apr-24
	Remote patient monitoring solutions		€183.8m		Mar-24
	Remote pharmacy		€10.5m		Mar-24
	Remote consultation		€10.9m	 	Mar-24
	Specialty care		€18.5m		Mar-24
	Remote patient monitoring solutions / online consultation		€23.2m		Feb-24
	Remote consultation / Clinician selection/ e-booking tools		€75.3m	N.A	Jan-24
	Remote consultation / Clinician selection/ e-booking tools		€20.5m		Jan-24
	Remote patient monitoring solutions		€36.6m		Jan-24

FOCUS ON US & EU FUNDRAISINGS IN THE TELEMEDICINE MARKET, H1 2024



DEAL DESCRIPTION ⁽¹⁾

Xund raised €8m of seed founding from MMC Ventures, Thieme group, MassMutual Ventures and other investors. The funding aimed at developing Xund's product development of a dynamic provider of personalized medical content

April 2nd, 2024 | Vienna, Austria

BUSINESS DESCRIPTION

Developer of API medical devices designed to assess patients' health. Xund offers an interaction suite that leverages AI to ask simple questions and supports in understanding the symptoms, enabling patients to get understandable and factual feedback on the causes of the disease

KEY PERSONNEL

Daniela Selxas - Co-Founder & CEO
Sonia Gimeno - CFO

KEY SHAREHOLDERS ⁽²⁾

N.A

2018	50	€8.0m ⁽¹⁾
B2B	Symptom checker	



DEAL DESCRIPTION

Accuhealth raised €183.4m of growth funding from Sunstone Partners. The funding aimed at supporting its rapid growth and expanding its service offering

March 28th, 2024 | McAllen, United States

BUSINESS DESCRIPTION

Developer of remote patient monitoring platform intended to improve primary physician care within the clinical setting and the home. Accuhealth's technology enables physicians to have access to patients' vital information remotely and better manage health outcomes in real time

KEY PERSONNEL

Eric Kinariwala - Co-Founder & CEO
Sonia Patel - Founding Team Member & Chief Pharmacist

KEY SHAREHOLDERS ⁽²⁾

N.A

2018	200	€183.4m ⁽¹⁾
B2B	Remote patient monitoring	



DEAL DESCRIPTION

Phlo raised €10.5m of Series A funding from Par Equity, Thairm Bio and Scottish Enterprise. The funding aimed at expanding Phlo's activities internationally and developing its digital healthcare business

March 28th, 2024 | London, United Kingdom

BUSINESS DESCRIPTION

Developer of a digital pharmacy store designed for customers to buy prescription and over-the-counter (OTC) medicines online. Phlo's platform enables users to create an account, match records, receive prescriptions, and request medication

KEY PERSONNEL

Nadim Sarwar - Founder & CEO
Jason McGibbon - Chairman

KEY SHAREHOLDERS ⁽²⁾

futurefund
Australia's Sovereign Wealth Fund

2015	83	€30.5m ⁽¹⁾
B2C	Remote pharmacy	

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⁽²⁾ Total funding raised to date

⁽³⁾ Key shareholders of the acquired company at the time of the transaction

FOCUS ON US & EU FUNDRAISINGS IN THE TELEMEDICINE MARKET, H1 2024

TonicApp.
€10.9m
 PRIVATE
 PLACEMENT



DEAL DESCRIPTION ⁽¹⁾

Tonic App raised €10.9m of Series A venture funding from Iberis Capital, BlueCrow Capital, Armilar Venture Partners and other investors. The funding will be used to expand geographically, hire employees and invest in AI



March 26th, 2024 | Porto, Portugal

BUSINESS DESCRIPTION

Developer of a mobile application platform designed to facilitate health content aggregation and medical team collaboration using productivity-focused tools. Tonic App's platform allows video consultation, prescription, communication tools and patient support programs


KEY PERSONNEL

Daniela Selxas - Co-Founder & CEO
 Sonia Gimeno - CFO

 2016  46  €10.9m ⁽²⁾
 B2B  Remote consultation

KEY SHAREHOLDERS ⁽³⁾



tava.
€18.5M
 PRIVATE
 PLACEMENT
 CATALYST


DEAL DESCRIPTION

Tava Health raised €18.5m of Series B funding from Catalyst investors, Peterson Partners, Blue Capital and other investors. The funding will be used for Tava Health's product development






March 6th, 2024 | London, United States

BUSINESS DESCRIPTION

Operator of an online healthcare platform offering real-time access to mental health needs. Tava Health's platform includes assessments, online video consultation and text messaging, enabling patients to connect with therapists

KEY PERSONNEL

Dalien Allred - Founder & CEO
 Jason Ockey - Founder & COO

 2019  84  €30.0m ⁽¹⁾
 B2C  Specialty Care

KEY SHAREHOLDERS ⁽²⁾



HealthSnap
€23.2M
 PRIVATE
 PLACEMENT
 SANDS
 CAPITAL


DEAL DESCRIPTION

Healthsnap raised €23.2m of Series B funding from Sands Capital, Tampa General hospital, Comcast Ventures and other investors.

February 21st, 2024 | Miami, United States

BUSINESS DESCRIPTION

Developer of a unified virtual care management platform offering remote patient monitoring, chronic care management solutions and video consultation, enabling clinicians to provides remote care for chronic diseases

KEY PERSONNEL

Samson Magid - Co-Founder & CEO
 Scott Silverman - CFO

 2015  150  €43.6m ⁽¹⁾
 B2B  Remote patient monitoring solutions / online consultation

KEY SHAREHOLDERS ⁽²⁾

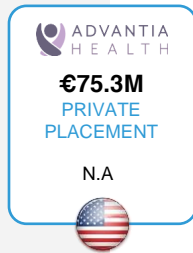


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⁽³⁾ Key shareholders of the acquired company at the time of the transaction

FOCUS ON US & EU FUNDRAISINGS IN THE TELEMEDICINE MARKET, H1 2024



DEAL DESCRIPTION ⁽¹⁾

Advantia Health raised €75.3m of growth funding from undisclosed investors

January 16th, 2024 | Arlington, United States

BUSINESS DESCRIPTION

Provider of telehealth services intended to help women to manage their health. Advantia Health offers a web and mobile-based application for patients to connect and seek medical guidance with doctors, enabling patients to get the right care, in the right time frame, with the right provider and in the right care setting

KEY PERSONNEL

Angela Wayne - CEO
Jeff Goldberg - CFO

2014 700 €172.9m ⁽²⁾
B2C Remote consultation / Clinician selection/ e-booking tools

KEY SHAREHOLDERS ⁽³⁾



DEAL DESCRIPTION

Vita Health raised €20.5m of Series A funding from CVS Health Ventures, LFE Capital and other investors. The funding aimed at expanding Vita Health's activities nationwide

January 9th, 2024 | West Hartford, United States

BUSINESS DESCRIPTION

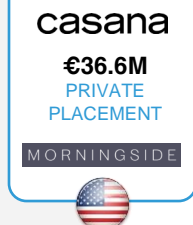
Operator of an online mental healthcare platform offering real-time access with licensed therapists via telehealth to treat a variety of conditions including anxiety, depression and suicide ideation

KEY PERSONNEL

Lynn Hamilton - CEO
Tracy Brubaker - COO

2021 58 €23.6m ⁽¹⁾
B2C Remote patient monitoring solutions / online consultation

KEY SHAREHOLDERS ⁽²⁾



DEAL DESCRIPTION

Casana raised €36.6m of Serie B funding from Morningside, General Catalyst, Matrix Partner and other investors. The funding aimed at accelerating the development and commercialization of Casana's products

January 2nd, 2024 | Rochester, United States

BUSINESS DESCRIPTION

Developer of in-home health monitoring technologies designed to help practitioners confidently manage patients' cardiac health at home. Casana's device passively captures health parameters and analyzes them in context, with the aim of providing unique insights into health

KEY PERSONNEL

David Borkholder - Co-Founder
Nicholas Conn - Co-Founder

2018 75 €50.9m ⁽¹⁾
B2B Remote patient monitoring

KEY SHAREHOLDERS ⁽²⁾



Notes: ⁽¹⁾ Drake Star did not act as a financial advisor for the transactions in this report if not stated otherwise

⁽²⁾ Total funding raised to date

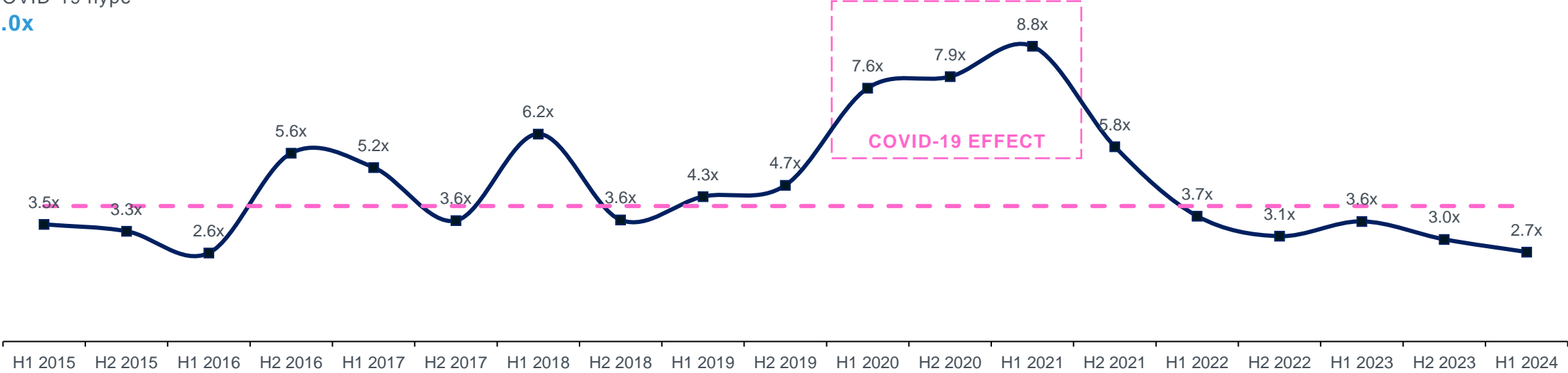
⁽³⁾ Key shareholders of the acquired company at the time of the transaction

TELEMEDICINE SECTOR FACES VALUATION ADJUSTMENTS AMID POST-COVID LANDSCAPE

- In the first 6 months of 2024, valuation multiples decreased by 25% compared to H1 2023. EV/Revenue multiples of listed companies from the Drake Star Telemedicine Index went from 3.6x to 2.7x, reaching their lowest level in 8 years. This is the consequence of a decrease in activity and operational results following the deceleration of the COVID-19 pandemic and central banks austerity. As the telemedicine sector stabilizes and the market matures, the maximum EV/Revenue multiple has dropped from 12.6x to 9.2x
- At the height of the COVID-19 pandemic, telemedicine's value skyrocketed as it became the primary mode of healthcare delivery, exceeding initial expectations. However, as restrictions eased, many patients returned to in-person appointments, leading to an oversupply of telemedicine services driven by substantial crisis-era investments. This has led to market consolidation and a shift towards later-stage venture capital investments
- With central banks increasing interest rates and liquidity tightening in the capital market, telemedicine valuations have been affected, resulting in decreased valuation multiples and heightened profitability expectations from venture capitalists. Consequently, the investment community is in a wait-and-see mode, closely observing the post-pandemic trajectory of the telemedicine sector

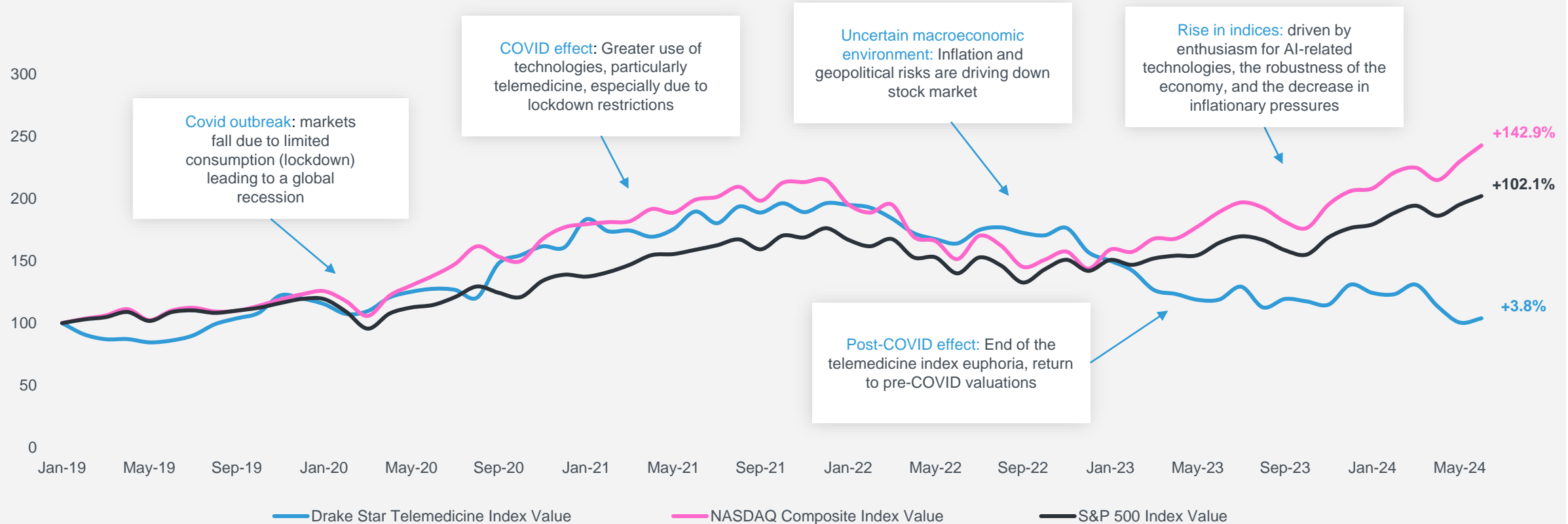
Average EV/REV
excluding
COVID-19 hype
4.0x

**DRAKE STAR TELEMEDICINE INDEX
(EV/REVENUE VALUATION)**



Notes: Only the EV/Revenue of the telemedicine index components ranging from x.1 to 25x were considered
 Drake Star telemedicine index gathers public telemedicine companies on a global basis. "Drake Star telemedicine index" is not a fund. The "index" is a number of global public telemedicine companies Drake Star tracks. The full list of companies included in the "index" is available on page 17. This report is published solely for informational purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy any security. The information herein is based on sources we believe to be reliable but is not guaranteed by us and we assume no liability for its use. Any opinions expressed herein are statements of our judgment on this date and are subject to change without notice.

TELEMEDICINE COMPANIES UNDERPERFORM BUT PRESENT REBOUND OPPORTUNITIES



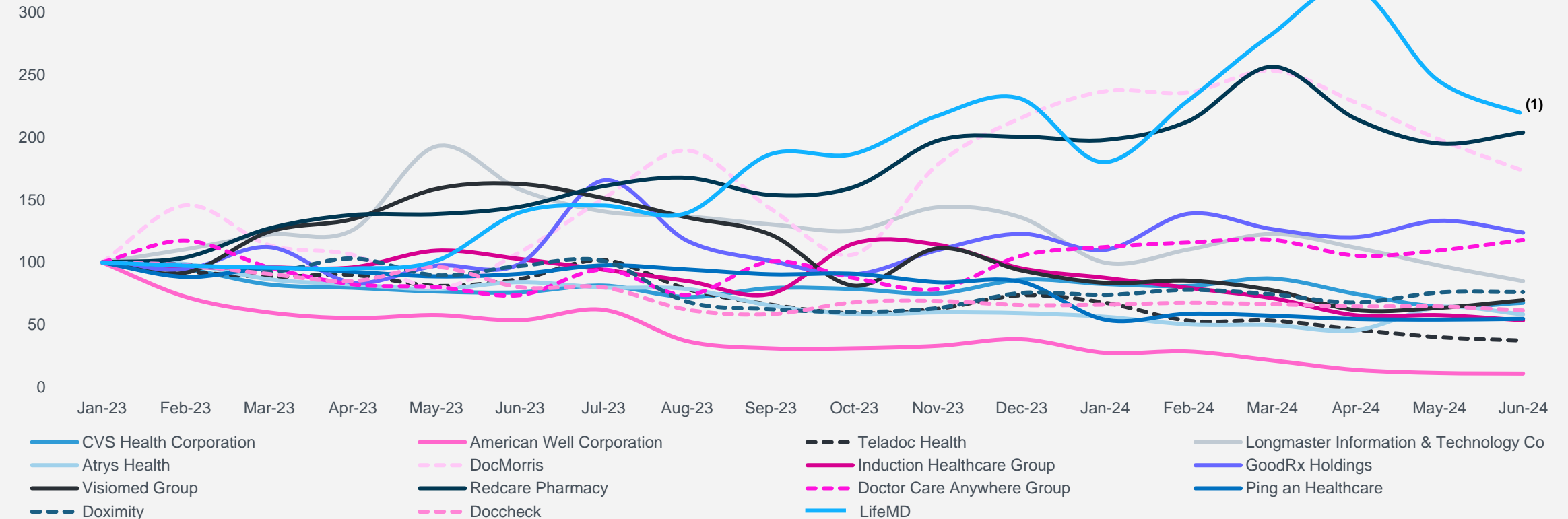
Key highlights

- While the three indices were tracking together until January 2023, the telemedicine index has since **dropped** by **30.8%** whereas the NASDAQ and the S&P 500 have **increased** by **52.7%** and **34.0%** respectively
- This shortfall is primarily due to the significant decline of its largest market cap component, **CVS Health** which has **dropped** by **32.3%** since January 2023

Notes: ⁽¹⁾Drake Star telemedicine index gathers public telemedicine companies on a global basis. "Drake Star telemedicine index" is not a fund. The "index" is a number of global public telemedicine companies Drake Star tracks. The full list of companies included in the "index" is available on page 17. This report is published solely for informational purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy any security. The information herein is based on sources we believe to be reliable but is not guaranteed by us and we assume no liability for its use. Any opinions expressed herein are statements of our judgment on this date and are subject to change without notice.

Source: Capital IQ as of June 25th, 2024

SINCE JANUARY 2023, TWO-THIRDS OF THE INDEX COMPANIES⁽²⁾ HAVE SEEN THEIR MARKET VALUE DECREASE



Key highlights

- On the 15 listed companies included in the index, only 5 recorded a positive stock performance on the 18-month period: **Life MD** (+376.5%), **RedCare Pharmacy** (+103.9%), **DocMorris** (+73.4%), **GoodRx** (+23.9%) and **Doctor Care** (+17.8%)
- The **average** change in these indices over the period is **+11.4%**, pulled up by the cited values
- The **median** stands at **-30.2%** (69.8 on a base of 100)

Notes: ⁽¹⁾The LifeMD chart is not to scale, as its index has increased by more than 376% over the period, peaking at over 690% in April 2024

⁽²⁾ There are three changes with the initial Drake Star telemedicine index: (a) the withdrawal of Pharmasimple SA because of bankruptcy and suspension of listing; (b) the withdrawal of Babylon Holding which recently got bought by Emed.Com Technologies Limited; (c) the withdrawal of 1Life Healthcare, Inc. because of its sale to Amazon

Drake Star telemedicine index gathers public telemedicine companies on a global basis. "Drake Star telemedicine index" is not a fund. The "index" is a number of global public telemedicine companies Drake Star tracks. The full list of companies included in the "index" is available on page 17. This report is published solely for informational purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy any security. The information herein is based on sources we believe to be reliable but is not guaranteed by us and we assume no liability for its use. Any opinions expressed herein are statements of our judgment on this date and are subject to change without notice.

Source: Capital IQ as of June 25th, 2024

PROFITABILITY STILL LOW BUT EXPECTED TO RISE FOR TELEMEDICINE INDEX COMPANIES

COMPANY	MARKET TEV		REVENUE			EBITDA			EBITDA MARGIN			TEV/REVENUE			TEV / EBITDA			
	CAP		FY2023	FY2024	FY2025	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025	
CVS Health	72,232	136,440	322,637	345,243	361,754	16,682	16,235	17,873	5%	5%	5%	0.4 x	0.4 x	0.4 x	8.2 x	8.4 x	7.6 x	
Teladoc Health	4,760	4,062	386	441	479	121	165	229	31%	37%	48%	n.m.	9.2 x	8.5 x	33.6 x	24.6 x	17.7 x	
GoodRX	2,665	2,830	679	754	826	61	239	274	9%	32%	33%	4.2 x	3.8 x	3.4 x	46.7 x	11.9 x	10.3 x	
Redcare Pharmacy	2,435	2,488	1,799	2,386	2,918	14	71	117	1%	3%	4%	1.4 x	1.0 x	0.9 x	n.m.	35.1 x	21.3 x	
Teladoc Health	1,638	2,097	2,354	2,484	2,574	42	341	389	2%	14%	15%	0.9 x	0.8 x	0.8 x	n.m.	6.1 x	5.4 x	
Ping An Healthcare	1,494	1	596	691	794	(79)	(42)	(15)	n.m.	n.m.	n.m.	0.0 x	0.0 x	0.0 x	n.m.	n.m.	n.m.	
DocMorris	749	986	1,042	1,230	1,665	(70)	(22)	35	n.m.	n.m.	2%	0.9 x	0.8 x	0.6 x	n.m.	n.m.	28.2 x	
Longmaster	444	414	58	n.a.	n.a.	12	-	-	21%	-	-	7.2 x	n.a.	n.a.	34.8 x	n.a.	n.a.	
Atrys Health	274	486	206	220	237	14	46	52	7%	21%	22%	2.4 x	2.2 x	2.1 x	35.1 x	10.5 x	9.3 x	
LifeMD	273	261	138	192	238	(12)	18	29	n.m.	9%	12%	1.9 x	1.4 x	1.1 x	n.m.	14.4 x	8.9 x	
American Well	112	(152)	234	244	303	(204)	(148)	(58)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.7 x	1.0 x	2.6 x	
Visiomed	62	68	14	n.a.	n.a.	2	-	-	14%	-	-	4.9 x	n.a.	n.a.	35.8 x	n.a.	n.a.	
DocCheck	43	27	53	n.a.	n.a.	7	-	-	14%	-	-	0.5 x	n.a.	n.a.	3.7 x	n.a.	n.a.	
Doctor Care Anywhere	16	19	44	53	77	(9)	0	8	n.m.	0%	11%	0.4 x	0.4 x	0.2 x	n.m.	n.m.	2.3 x	
Induction Healthcare	13	9	15	17	n.a.	(9)	0	-	n.m.	2%	-	0.6 x	0.5 x	n.a.	n.m.	24.5 x	n.a.	
												MIN	0.0 x	0.0 x	0.0 x	0.7 x	1.0 x	2.3 x
												AVERAGE	2.0 x	1.9 x	1.8 x	24.8 x	15.2 x	11.4 x
												MEDIAN	0.9 x	0.8 x	0.8 x	34.2 x	11.9 x	9.1 x
												MAX	7.2 x	9.2 x	8.5 x	46.7 x	35.1 x	28.2 x

Source: Capital IQ

UPDATED MAPPING OF THE US TELEMEDICINE MARKET

REMOTE CONSULTATION



CLINICIAN SELECTION & E-BOOKING TOOLS



SYMPTOM CHECKER & REMOTE MONITORING SOLUTIONS



SPECIALTY CARE



REMOTE PHARMACY



UPDATED MAPPING OF THE EUROPEAN TELEMEDICINE MARKET

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TELEMEDICINE REPORT

H1 2024 UPDATE

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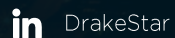
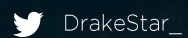
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