



TELEMEDICINE : 2025 RECAP AND 2026 OUTLOOK

FROM TELEMEDICINE TO FULLY INTEGRATED HEALTHTECH

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TELEMEDICINE 2025 KEY TAKEAWAYS: M&A RECOVERS, FUNDRAISING SHIFTS AND VALUATION MULTIPLES STABILISE

Rebound in transactions

- 2025 confirmed a **sustainable recovery in M&A activity** with 87 deals, a clear increase over 2024 (53 deals)
- Growth in transaction volumes is higher in Europe with +93% YoY compared to +52% in the US
- Major players dominate dealflow** with standout transactions like Paulus Holding €1,250m acquisition of Alto Pharmacy and Hims & Her €219m acquisition of Zava

Significant Funding Growth

- 2025 experienced an acceleration **in funding activity** with **343 fund raisings compared** to 2024 (166 deals)
- EU is growing at a higher pace than the US with +182% YoY compared to +86%
- Most fund raisings are concentrated on both ends of deal spectrum : Pre-seed/Seed (152 deals) and Later stage funding (131 deals), resulting in a **decrease of average deal size** (€9.8m vs €15.8m in 2024)

Valuation multiples stabilisation

- Drake Star Telemedicine Index** (EV/Revenue multiples) increased from 3.1x at end 2024 to 3.9x at end 2025, showing **a recovery towards the 10-year average**
- VCs have demonstrated a **renewed interest for early-stage** innovative businesses – often driven by AI applications – while large fundings concentrated on mature businesses

Key industry dynamics

- The **telemedicine sector continues to consolidate**. In 2025, M&A activity rebounded sharply, with 87 deals driven largely by large US consolidators efforts, confirming the country's continued dominance in the space
- Fundraising activity on volume increased by 107%** year-on-year, driven by **Pre-Seed/Seed and Later-stage** investments, with nearly two-thirds of these deals being US companies. A dual trend is emerging in 2025, combining **sustained early-stage innovation focusing on AI** driven by continued Pre-Seed/Seed activity with increasing capital concentration and consolidation among scaled players
- As the **market matures**, investors remain supportive of innovation at inception while **favoring established platforms** with scale, recurring revenues, and clear paths to profitability, which leverage funding and M&A to build integrated, end-to-end telemedicine offerings and strengthen their market positions
- EV/Revenue multiples have increased for four consecutive quarters**, rising from 2.7x in H1 2024 to 3.9x in H2 2025



Lawrence Giesen
Senior Advisor at Drake Star

"AI is becoming a core enabler in telemedicine, shifting platforms from simple video visits to workflow engines that automate triage, documentation, and follow-up, so clinicians can handle higher volumes and clinical care is improving productivity and resulting profitability."

TELEMEDICINE 2026 KEY TRENDS: TELEMEDICINE ENTERS 2026 SHAPED BY AI DISRUPTION AND TRANSITION TO MULTIFUNCTIONAL PLATFORMS

AI-Driven Innovation and Strategic Acquisitions

- AI has become foundational to telemedicine platforms, accelerating the shift from simple video-consult tools to intelligent, end-to-end care orchestration (AI triage, clinical decision support, workflow automation)
- In 2025, leading telemedicine players are stepping up targeted M&A to lock in proprietary models, scarce clinical AI talent, and defensible datasets - with capital largely concentrated in the US
- Recent 2025 funding highlights underline this AI pivot: Nabla (€70m) to scale clinical AI capabilities, and OpenEvidence (€200m) to accelerate its medical AI platform

Telemedicine to Digital Health

- Digital health players are increasingly shifting toward recurring revenue models by expanding beyond mono-product offerings into integrated suites that orchestrate the full ecosystem around patients and physicians, including care pathways, data, coordination, and engagement
- Historically non-recurring platforms are evolving toward mega suites, broadening their scope to deepen usage, improve retention, and drive sustainable long-term value

US reimbursement / regulation cliff

- US reimbursement remains the key swing factor because Medicare telehealth flexibilities are extended to Jan 30, 2026, but a rollback thereafter could trigger a reimbursement cliff through reduced eligibility and higher billing friction
- This risk is pushing platforms beyond “visit-volume” models toward hybrid, integrated care pathways
- Compliance is becoming a competitive differentiator, with audit-ready documentation and billing controls increasingly required

Key industry trends

- AI is scaling rapidly in healthcare and is increasingly positioned as “physician augmentation”, automating documentation, triage, and decision support to unlock productivity and capacity. The ultimate goal consists in introducing productivity gains in healthcare delivery to halt the historic conundrum of medical costs inflation (GenAI healthcare market projected from \$2.7bn in 2024 to \$17bn by 2034, 20% CAGR)
- The aging population is structurally increasing healthcare demand, with the 55+ cohort rising from 20% of the global population in 2024 to 23% by 2034 (world population growing from 8.2bn to 8.8bn)
- Telemedicine’s economics remain highly sensitive to public reimbursement and regulatory frameworks, meaning policy shifts and uneven implementation across countries can quickly impact eligible volumes, pricing, and care pathways—making regulatory instability a structural sector risk
- Mental health remains one of the most resilient growth vectors in digital health, supported by structurally rising demand and broadening employer coverage (~90% of employers offered mental health coverage in 2024)



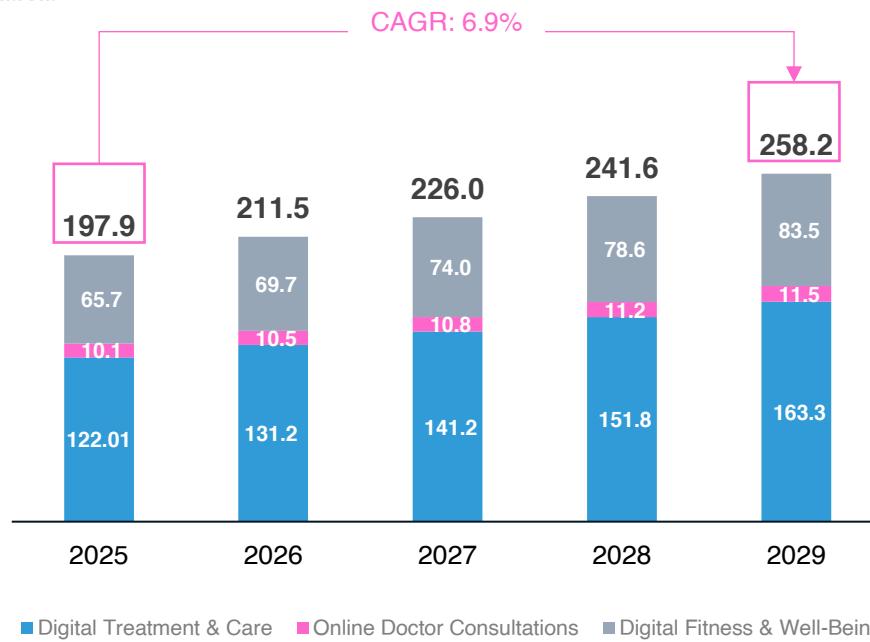
Christophe Morvan
Managing Partner at Drake Star

“Telemedicine is entering a new phase: the market is shifting from standalone telemedicine products to fully integrated, patient-centric platforms ('mega-apps') that cover the entire care journey. This shift is largely being driven by consolidation across formerly fragmented verticals - fewer point solutions, more end-to-end players, enabled by AI solutions.”

HEALTHTECH MARKET IS LARGE AND GROWING WITH STRONG GEOGRAPHICAL EXPANSION POTENTIAL

Global Healthtech market size (in \$bn)

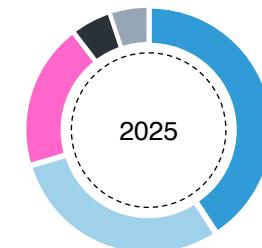
Source: Statista



- The **Digital Treatment & Care segment** includes remote patient monitoring, online prescription and medication fulfillment, ERP solutions and other services for medical professionals. It is the **fastest-growing (7.6% CAGR)** and **largest submarket of the broader healthtech market**
- Telemedicine** remains a **niche** leading companies to **pivot** their platforms toward digital treatment and care to gain TAM and growth

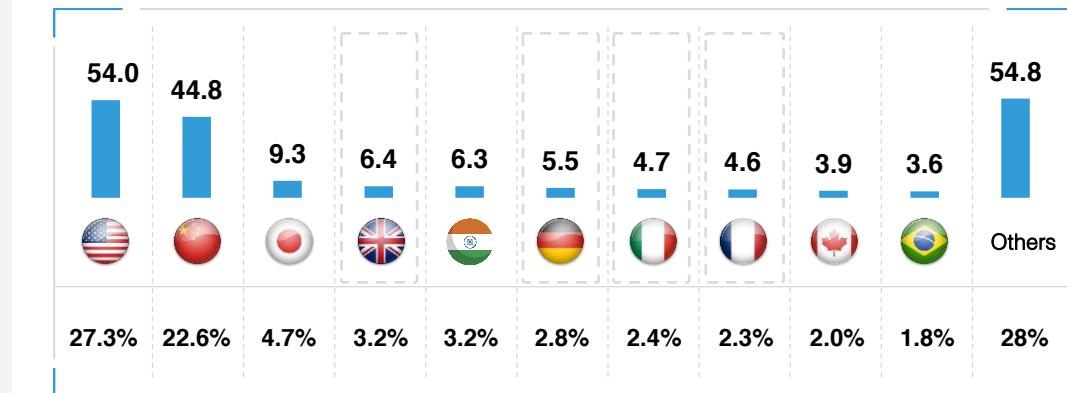
Global Healthtech market by geographies

Source: Statista



Source: Statista

Healthtech largest markets as of 2025 (in \$bn)

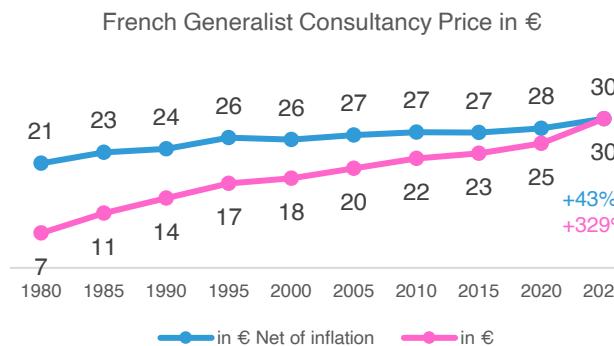


- The **US** remains the **leading country** accounting for more than a **quarter** of the market
- The current **top 10 countries** by market size are expected to **remain unchanged** until 2029

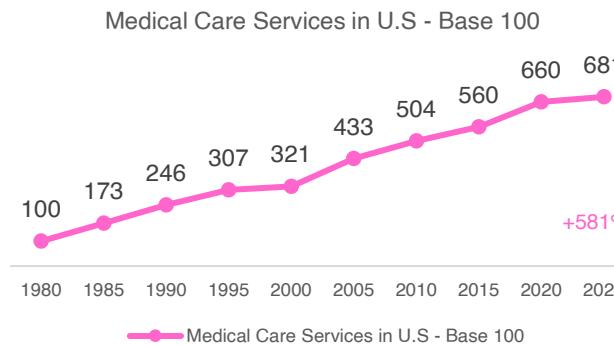
AI IS UNLOCKING EFFICIENCY IN A CONSTRAINED HEALTHCARE SYSTEM

Pain

Medical costs are increasing faster than physician productivity, leading to higher costs for an unchanged level of care delivery

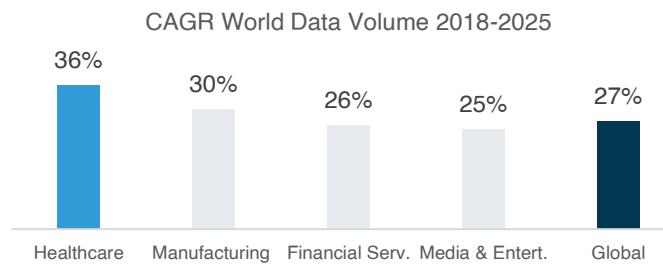


Source: recomedicales.fr



Source: FRED

Volume of Healthcare data is exploding, but needs to be cleaned and structured to be safely and effectively exploited



"Today, approximately 30 % of the world's data volume is being generated by the healthcare industry"

RBC Capital markets

Pain points

- Data quality gaps and incomplete datasets** remain key barriers to effective use
- Lack of standardisation** across geographies and systems limits interoperability and scalability
- Privacy and security** are major concerns, 56% of pharma and CRO respondents cite data compliance and anonymisation as key challenges
- Medicine is inherently interpretative**, not fully codified, relying on debate and clinical judgment

Source: RBC, LEK

Opportunity

The market has already identified AI as a catalyst for data-augmented doctors and smarter care delivery

Key adoption levers

- AI helps overcome key barriers in healthcare by **cleaning and structuring medical data, improving quality and standardisation**
- As a result, **physicians can treat more ts with greater accuracy and efficiency**
- AI ultimately aims to enable **automated healthcare diagnosis and prescription**

Corporate generative AI spending in 2024 (US\$ million)

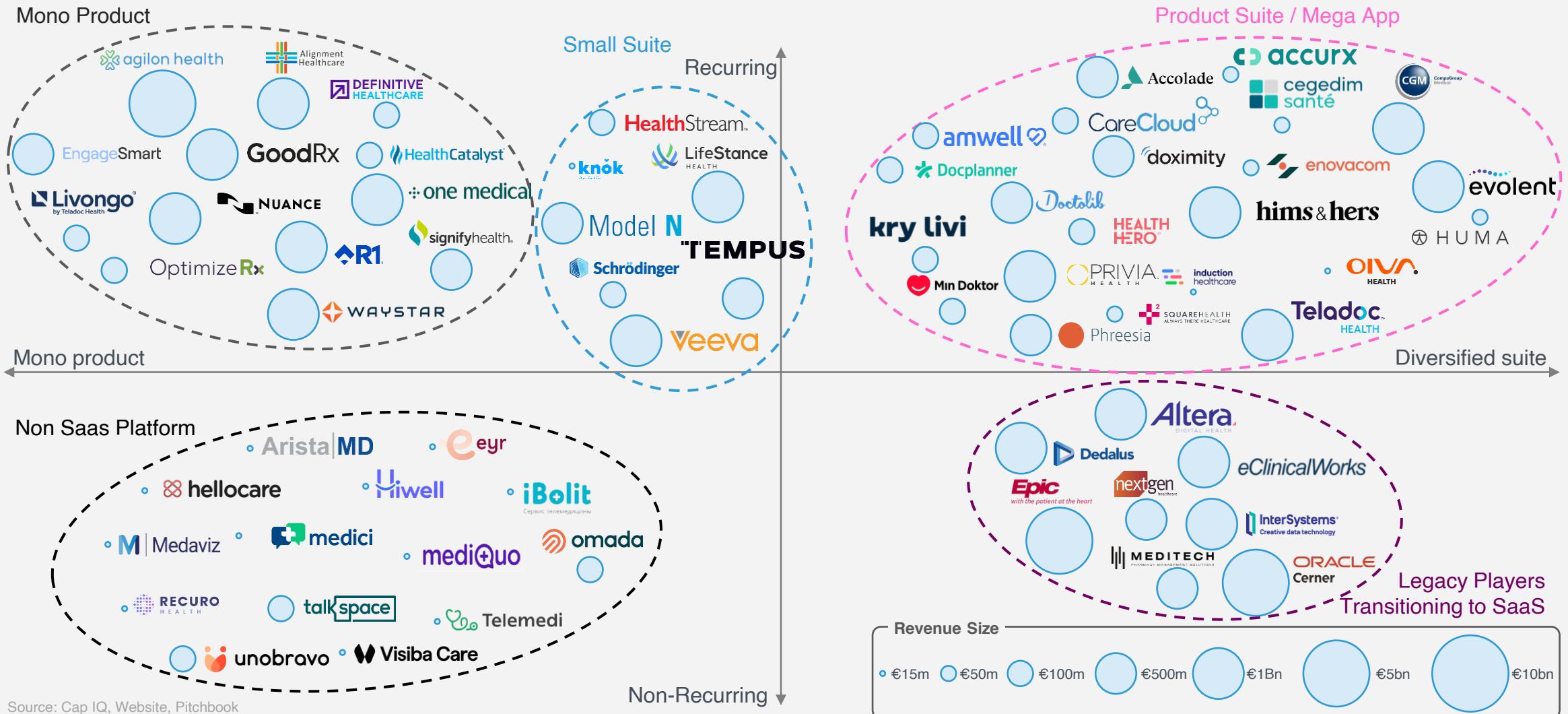


Generative AI in healthcare market



Source: The World Economic Forum

THE DIGITAL HEALTH MARKET IS FRAGMENTED WITH FIVE MAIN CLUSTERS

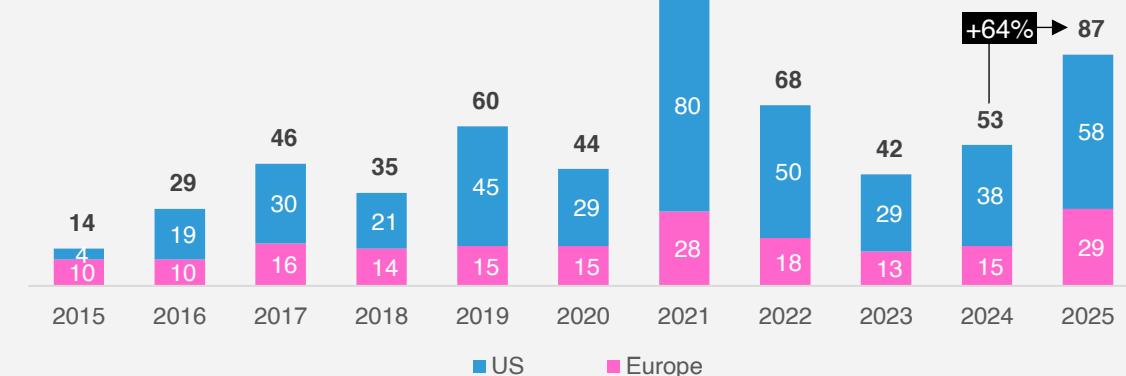


TELEMEDICINE M&A REBOUNDS IN 2025, DRIVEN BY STRONG US MOMENTUM

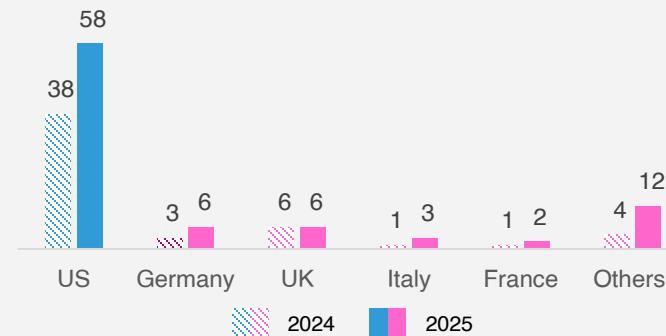
M&A activity highlights

- 2025 deal activity increased, supported by a strong H1 (48 transactions) and sustained momentum in H2 (39 transactions)
- Europe outpaced the US in growth, with deal volume up +93% YoY versus +64% in the US, although the US still represented more than two-thirds of total transactions across 2024–2025
- Dealfow remained highly concentrated, with scaled consolidators driving standout transactions such as Paulus Holding's €1,250m acquisition of Alto Pharmacy and Hims & Hers' €219m acquisition of Zava, reinforcing consolidation among leading platforms
- European activity was uneven, with a notable acceleration in Germany and small geographies while the number of deals remained stable in the other large countries
- Consolidation is increasingly horizontal, as platforms broaden their offering and embed AI capabilities across the journey

NUMBER OF M&A TRANSACTIONS IN TELEMEDICINE



LEADING COUNTRIES BY NUMBER OF TRANSACTIONS (2024-2025)



TRANSACTIONS PER GEO, (H1&H2 2024 vs 2025)



SELECTED 2025 RELEVANT M&A DEALS

TARGET	SUBSECTOR	COUNTRY	AMOUNT (€m)	ACQUIRER	DATE
 innovaTel telepsychiatry	Remote consultation		n.a	 iris telehealth	Jan-2025
 amwell	Global Telemedicine		21	 AQUILINE CAPITAL PARTNERS LLC	Jan-2025
 alto PHARMACY	Digital pharmacy		1,250	Paulus Holding	Mar-2025
 Accolade	Care management		743	 transcarent	Apr-2025
 Uplift	Digital Mental Health		40	 Teladoc HEALTH	Apr-2025
 ZAVA	Telemedicine Platform		219	hims & hers	Jun-2025
 ANALYTE HEALTH	Health Analytics		300	 BRIGHTSTAR CAPITAL PARTNERS	Aug-2025
 VillageMD	Primary Care		n.a	  CD PRIVATE FUND SERIES GENERAL ATLANTIC	Oct-2025

FOCUS ON USA & EU M&A DEALS IN THE TELEMEDICINE MARKET

ACQUISITION BY	DEAL DESCRIPTION ⁽¹⁾	RATIONALE	KEY PERSONNEL	SELLING SHAREHOLDERS
 innovaTel n.a ACQUISITION BY  iris telehealth 	DEAL DESCRIPTION ⁽¹⁾ Innovatel, a U.S.-based telepsychiatry provider offering behavioral health services for complex conditions, is acquired by Iris Telehealth, a U.S. provider of virtual behavioral health solutions for health systems and community healthcare organizations January 21 st , 2025 United States	RATIONALE With this acquisition, Iris Telehealth will enhance its patient sorting and onboarding, boost practitioner efficiency and support, and showcase its software for future commercial opportunities. By integrating innovaTel's expertise, Iris Telehealth strengthens its service offering and accelerates access to quality mental healthcare across underserved U.S. populations	KEY PERSONNEL Andrew Flanagan – CEO (Innovatel) Christina Mainelli – CEO (Iris Telehealth)	SELLING SHAREHOLDERS 
 amwell Psychiatric Care €21m ACQUISITION BY  AVEL AQUILINE 	DEAL DESCRIPTION ⁽¹⁾ Amwell Psychiatric Care (APC) is a virtual psychiatric and behavioral health care business and part of Amwell's clinical services portfolio, providing health systems with on-demand access to psychiatrists and behavioral health clinicians to address capacity shortages and improve patient access January 9 th , 2025 United States	RATIONALE The divestiture lets Amwell refocus on its core digital care platform and strengthen its financial profile. For Avel eCare, it expands Behavioral Health capabilities and its national footprint, improving access to mental health clinicians for urgent needs	KEY PERSONNEL Ido Schoenberg – CEO (Amwell)	SELLING SHAREHOLDERS  Public
 alto PHARMACY €1.25bn ACQUISITION BY Paulus Holding 	DEAL DESCRIPTION ⁽¹⁾ Alto Pharmacy, a U.S.-based digital pharmacy platform offering same-day medication delivery and virtual pharmacist care, agreed to be acquired by Paulus Holdings in a transaction estimated at \$1.25 billion March 27 th , 2025 United States	RATIONALE With this acquisition, Paulus Holdings aims to capitalize on Alto's tech-enabled infrastructure and growing footprint across major U.S. cities. The deal supports continued expansion in digital pharmacy services and strengthens capabilities in patient-centered, on-demand medication delivery	KEY PERSONNEL Mattieu Gamache-Asselin – CEO (Alto Pharmacy)	SELLING SHAREHOLDERS Management, VC Investors 

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

FOCUS ON USA & EU M&A DEALS IN THE TELEMEDICINE MARKET

DEAL DESCRIPTION ⁽¹⁾	RATIONALE	KEY PERSONNEL	SELLING SHAREHOLDERS
Accolade €743m ACQUISITION BY  	<p>Accolade is a U.S.-based healthcare advocacy and navigation company providing personalized benefits guidance, clinical support, and care coordination services for employers and health plans</p> <p>The acquisition strengthens Transcarent's integrated care platform by adding Accolade's member advocacy capabilities. The combination enhances patient navigation, improves care engagement, and supports employers in managing healthcare costs more effectively</p>	Rajeev Singh – CEO (Accolade)  2007  B2C  Care management	Public
Uplift €40m ACQUISITION BY  	<p>Uplift is a U.S.-based telemedicine developer of a digital mental health platform that enables healthcare providers to deliver a seamless, high-quality patient experience, with a strong focus on virtual therapy access, care coordination, and outcomes tracking</p> <p>The acquisition strengthens Teladoc Health's behavioral health offering by enhancing its virtual care capabilities, improving patient engagement and provider efficiency, and expanding access to high-quality mental health services. Uplift's technology and clinical workflows complement Teladoc's existing platform, supporting deeper integration, improved outcomes, and continued scale in virtual mental healthcare</p>	Kyle Talcott – Founder & CEO (Uplift)  2020  B2B  Digital Mental Health	
ZAVA €219m ACQUISITION BY  	<p>ZAVA is a UK-based digital healthcare provider offering online medical consultations, prescriptions, and treatment services across primary care, sexual health, and chronic conditions</p> <p>The acquisition expands Hims & Hers' international footprint and strengthens its telehealth offering in Europe. ZAVA's established platform and regulatory presence accelerate growth while broadening access to convenient, digital-first care</p>	David Meinertz – CEO (Zava)  2011  B2B2C  Telemedicine Platform	

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FOCUS ON USA & EU M&A DEALS IN THE TELEMEDICINE MARKET

ANALYTE HEALTH €300m ACQUISITION BY BRIGHTSTAR CAPITAL PARTNERS August 1 st , 2025 United States	DEAL DESCRIPTION ⁽¹⁾	RATIONALE	KEY PERSONNEL	SELLING SHAREHOLDERS
 Analyte Health is a U.S.-based healthcare analytics company providing data-driven solutions to support clinical decision-making, population health management, and value-based care initiatives	Analyte Health is a U.S.-based healthcare analytics company providing data-driven solutions to support clinical decision-making, population health management, and value-based care initiatives	The acquisition enhances Brightstar Capital Partners' healthcare portfolio by adding advanced analytics capabilities. Analyte Health's platform supports improved care outcomes, operational efficiency, and data-enabled value creation across healthcare providers and payors	Fiyyaz Pirani – CEO (Analyte Health)	 Founder
 n.a ACQUISITION BY ARES CD GENERAL ATLANTIC October 17 th , 2025 United States	DEAL DESCRIPTION ⁽¹⁾	RATIONALE	KEY PERSONNEL	SELLING SHAREHOLDERS
	VillageMD is a U.S.-based primary care provider delivering value-based healthcare services through physician-led clinics, often co-located with retail pharmacies	The acquisition supports Ares, General Atlantic and CD PE strategy to scale value-based primary care by leveraging VillageMD's integrated care model. The platform enhances patient outcomes, improves cost efficiency, and benefits from long-term tailwinds in primary care transformation	Jeffrey Le Benger – CEO (VillageMD)	 Walgreens Boots Alliance

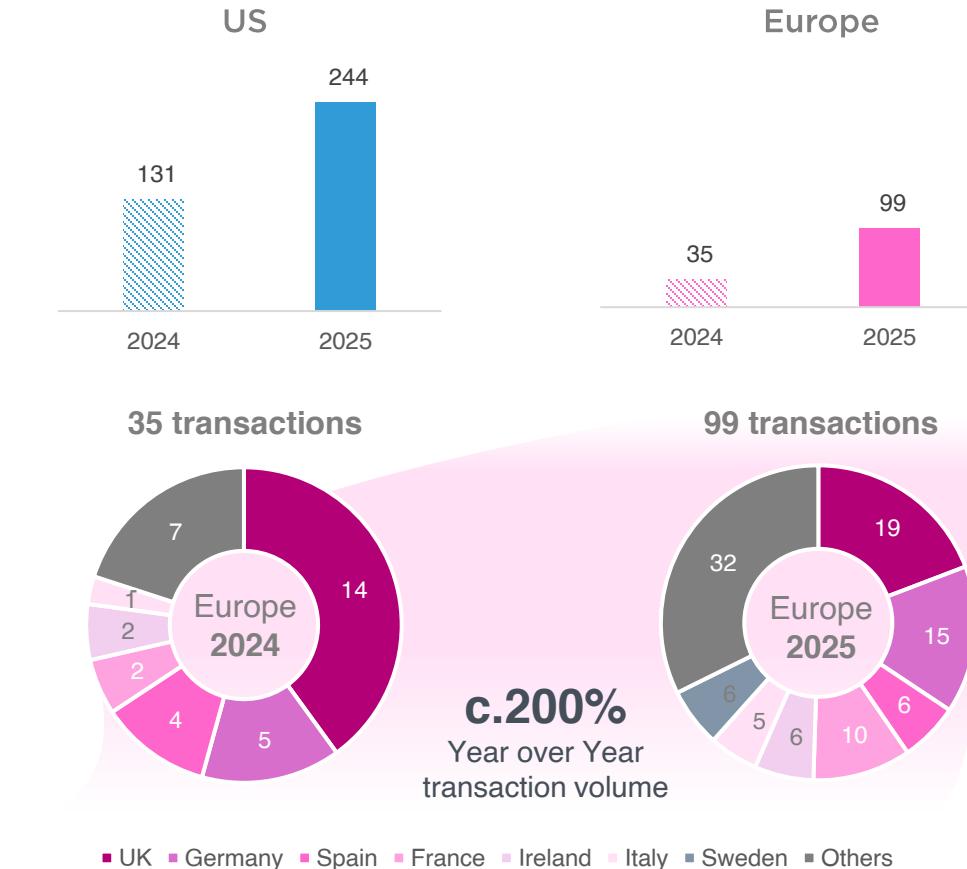
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USA REMAINS THE MOST ACTIVE MARKET FOR TELEMEDICINE FUNDRAISING

2025 Fundraising activity highlights

- The United States remains the most dominant country in telemedicine fundraising, with over 2,220 deals completed between 2015 and 2025. Over the same period, the five most active European countries combined recorded almost 600 fund raisings
- The UK maintains its position as the second most active market globally, followed by Germany and France which recorded a strong increase in activity
- In terms of capital raised, the US remains the clear leader, with €28.1bn raised in disclosed transaction value. The EU's proportionate share of number of fundraising deals increased from 10% in 2024 to 15% in 2025
- The increase in deal volume is accompanied by a decrease in the average value of fund raisings (€9.8m in 2025, down from €15.8m in 2024). This decline in average disclosed deal size is primarily driven by the strong increase in Pre-seed and Seed fund raisings, which now represent a larger share of transactions

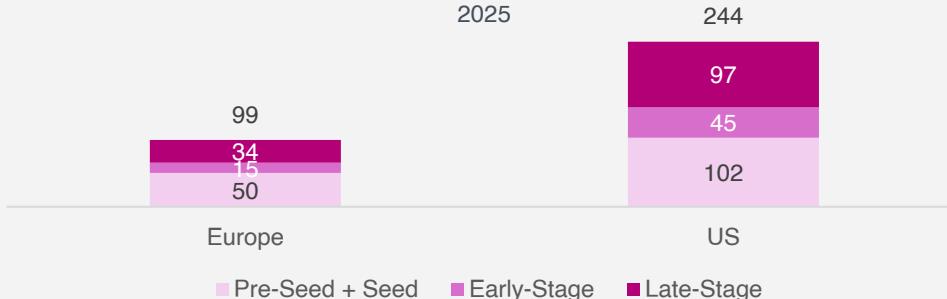
NUMBER OF FUNDRAISING IN TELEMEDICINE



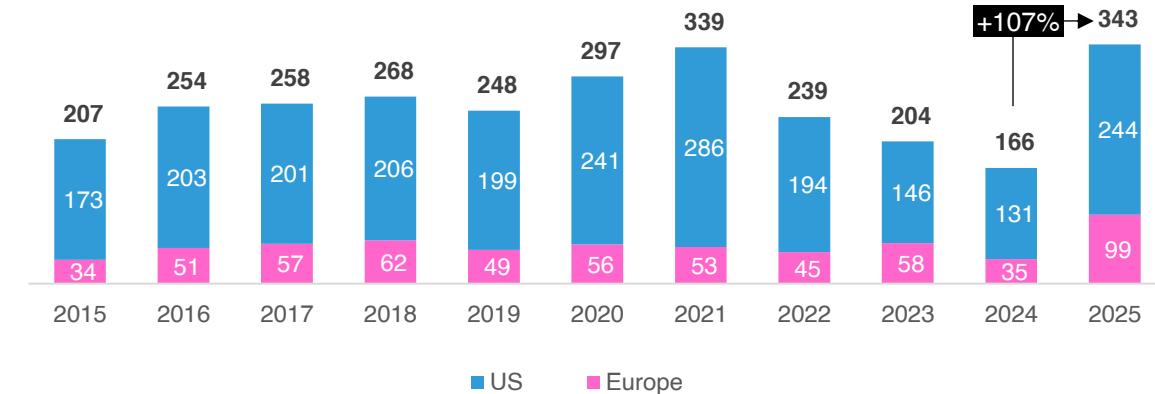
FUNDRAISING ACTIVITY ACCELERATES ACROSS BOTH EARLY AND LATE-STAGE ROUNDS

2025 Fundraising activity highlights

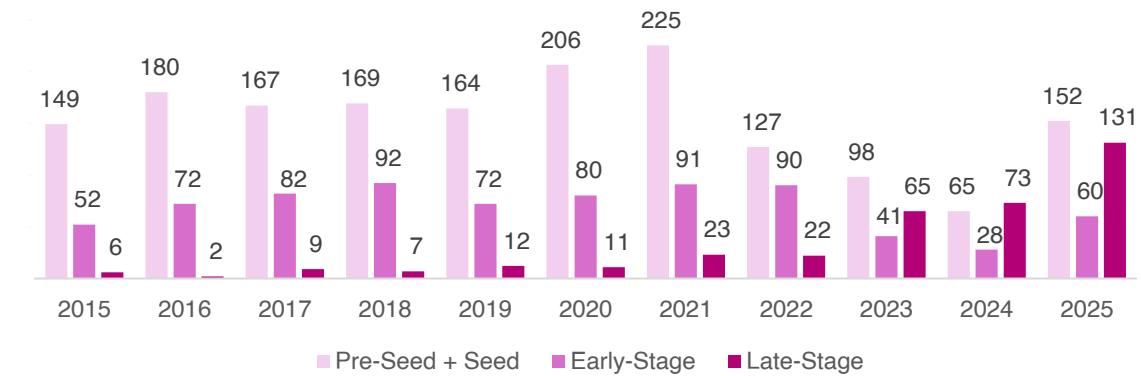
- In Europe and the US, investments in 2025 totaled 343, reflecting a significant **107% year-on-year increase in fundraising activity**. This is the new all time high, in particular for EU while it is the second most important year in the US. **The EU market is growing faster than the US**, with deal volume up +182% versus +86% in the US
- In 2025, funding activity expanded at both ends of the spectrum**, with a rise in pre-seed investments alongside stronger later-stage deal flow, highlighting a bifurcated but increasingly active market
- In 2024, funding skewed toward later-stage rounds, but **the AI wave has revived early-stage formation**, resulting in a clear “barbell” dynamic with capital concentrated at both Pre-Seed/Seed and Late stages
- Across 2024–2025, the **US accounts for roughly two-thirds of Pre-Seed/Seed and Late-stage funding**, reinforcing its continued dominance in global capital allocation



NUMBER OF FUNDRAISINGS IN TELEMEDICINE



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



SELECTED 2025 RELEVANT FUNDRAISES

TARGET	SUBSECTOR	COUNTRY	AMOUNT (€m)	INVESTOR	DATE
Nabla	Clinical AI	🇫🇷	70	HIGHLAND EUROPE HV CAPITAL DST GLOBAL	Jun-2025
OpenEvidence	Medical AI	🇺🇸	200	G/ CRAFT Blackstone BOND CAPITAL PARTNERS	Jul-2025
dermanostic	Digital Dermatology	🇩🇪	4	DIETER VON HOLTZBRINCK VENTURES //	Jul-2025
Heartbeat	Digital Cardiology	🇺🇸	n.a	InterSystems Ventures	Oct-2025
MD Live	Telemedicine Services	🇺🇸	n.a	THREE FIELDS CAPITAL	Nov-2025
spiras HEALTH	Home Care Specialty	🇺🇸	5	(+) brighton health partners PRIMETIME PARTNERS Alumni Ventures	Nov-2025
Remedy Meds	Telehealth Services	🇺🇸	15	DYNAMISM CAPITAL Gurin Ventures	Nov-2025
CLARITY PEDIATRICS	Pediatric Care	🇺🇸	15	CITY LIGHT ::: MassMutual GingerBread CAPITAL	Dec-2025

FOCUS ON USA & EU FUNDRAISING IN THE TELEMEDICINE MARKET

DEAL DESCRIPTION ⁽¹⁾	RATIONALE	KEY PERSONNEL	KEY EXISTING SHAREHOLDERS
Nabla €70m FUNDRAISING HIGHLAND EUROPE  	DEAL DESCRIPTION⁽¹⁾ is a U.S.-based healthcare AI company providing ambient clinical documentation solutions that automate medical note-taking and reduce administrative burden for clinicians.	RATIONALE The fundraising supports Nabla's continued product development and commercial expansion by scaling its AI platform and accelerating adoption among healthcare providers. The investment enables improved clinician productivity, workflow efficiency, and quality of patient documentation.	KEY PERSONNEL Alex Lebrun – CEO (Nabla)  2018  B2B  Clinical AI
OpenEvidence €200m FUNDRAISING G/ CRAFT  	DEAL DESCRIPTION⁽¹⁾ OpenEvidence is a U.S.-based healthcare AI company providing clinical decision support tools that synthesize medical literature and real-world data to assist physicians at the point of care.	RATIONALE The fundraising supports OpenEvidence's product development and commercial scaling by expanding its AI capabilities and clinical coverage. The investment accelerates adoption among healthcare providers and strengthens evidence-based decision-making across care settings.	KEY PERSONNEL Daniel Nadler – Founder & CEO (OpenEvidence)  2022  B2B / B2C  Medical AI
dermanostic €4m FUNDRAISING DIETER VON HOLTZBRINCK VENTURES // 	DEAL DESCRIPTION⁽¹⁾ dermanostic is a Germany-based digital dermatology company offering app-based skin consultations that allow patients to receive rapid diagnosis and treatment recommendations from certified dermatologists.	RATIONALE The fundraising supports dermanostic's expansion by scaling its digital dermatology platform and increasing patient adoption. The investment enables faster access to dermatological care and continued product development across European markets.	KEY PERSONNEL Alice Martin – Co-founder (Dermanostic)  2019  B2B2C  Digital Dermatology

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FOCUS ON USA & EU FUNDRAISING IN THE TELEMEDICINE MARKET

 <p>Heartbeat N.A. FUNDRAISING InterSystems Ventures</p>	<p>DEAL DESCRIPTION⁽¹⁾</p> <p>Heartbeat is a U.S.-based digital health company developing technology solutions to support healthcare providers through improved care delivery, data integration, and clinical workflows</p>	<p>RATIONALE</p> <p>The fundraising supports Heartbeat's continued platform development and growth by strengthening its technology capabilities and accelerating market adoption. The investment enables the company to scale its solutions and deepen partnerships across the healthcare ecosystem</p>	<p>KEY PERSONNEL Jeff Wessler – Founder & CEO (Heartbeat)</p>	<p>KEY EXISTING SHAREHOLDERS 406 Ventures Optum ventures echo</p>
 <p>MD Live N.A. FUNDRAISING THREE FIELDS CAPITAL</p>	<p>DEAL DESCRIPTION⁽¹⁾</p> <p>MDLive is a U.S.-based telehealth provider delivering virtual medical and behavioral health services to employers, health plans, and consumers through an on-demand digital platform</p>	<p>RATIONALE</p> <p>The fundraising supports MDLive's continued growth and platform expansion by strengthening its balance sheet and accelerating product development. The investment enables MDLive to scale access to virtual care, enhance service capabilities, and meet rising demand for convenient, cost-effective telehealth solutions</p>	<p>KEY PERSONNEL Rich Berner - CEO (MD Live)</p>	<p>KEY EXISTING SHAREHOLDERS Founder</p>
 <p>spiras HEALTH €5m FUNDRAISING brighton PRIMETIME Alumni Ventures</p>	<p>DEAL DESCRIPTION⁽¹⁾</p> <p>Spiras Health is a US-based digital health company providing technology-enabled respiratory care solutions, combining remote monitoring and clinical support for patients with chronic respiratory conditions</p>	<p>RATIONALE</p> <p>The fundraising supports Spiras Health's platform development and growth by scaling its remote respiratory care solutions. The investment enables broader patient access, improved disease management, and continued expansion across international markets</p>	<p>KEY PERSONNEL Scott Bowers – CEO (Spiras Health)</p>	<p>KEY EXISTING SHAREHOLDERS ALTITUDE VENTURES FCA VENTURE PARTNERS</p>

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Notes: ⁽²⁾ These key shareholders participated in the 2025 fundraising

FOCUS ON USA & EU FUNDRAISING IN THE TELEMEDICINE MARKET

 <p>Remedy Meds (+) €15m FUNDRAISING DYNAMISM CAPITAL, Gurtin Ventures</p>	DEAL DESCRIPTION⁽¹⁾ <p>RemedyMeds is a U.S.-based digital healthcare company providing online medical consultations and prescription-based treatment programs, with a focus on weight management and chronic conditions</p> <p>November 17th, 2025 United States</p>	RATIONALE <p>The fundraising supports RemedyMeds' growth by expanding its care programs and scaling its digital platform. The investment enables increased patient access, enhanced clinical services, and continued commercial expansion in direct-to-consumer healthcare</p>	KEY PERSONNEL <p>Haris Memon – Founder & CEO (Remedy Meds)</p> <p>2024</p> <p>B2C</p>  <p>Telehealth services</p>	KEY EXISTING SHAREHOLDERS <p>n.m.</p>
 <p>CLARITY PEDIATRICS (+) €15m FUNDRAISING CITY LIGHT, MassMutual, GingerBread</p>	DEAL DESCRIPTION⁽¹⁾ <p>Clarity Pediatrics is a US-based digital health company providing technology-enabled pediatric care solutions, combining virtual services with clinical support for children and families</p> <p>December 17th, 2025 Germany</p>	RATIONALE <p>The fundraising supports Clarity Pediatrics' platform expansion and growth by scaling its digital care model and extending access to pediatric services. The investment enables continued product development and broader adoption across the German healthcare market</p>	KEY PERSONNEL <p>Christina LaMontagne –CEO (Clarity Pediatrics)</p> <p>2021</p> <p>B2B / B2C</p>  <p>Pediatric Care</p>	KEY EXISTING SHAREHOLDERS <p>RETHINK IMPACT, Maverick Ventures, OPERATOR COLLECTIVE, JACKSON SQUARE VENTURES</p>

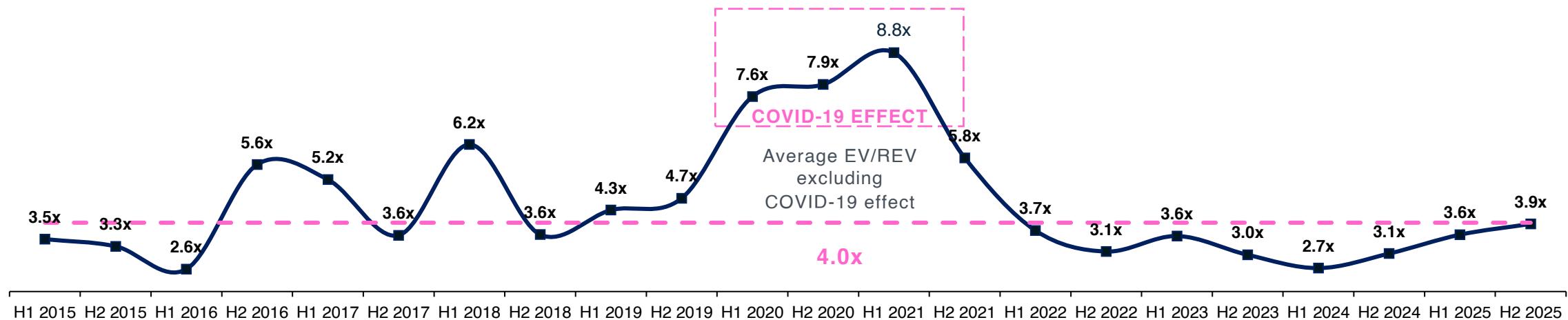
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Notes: ⁽²⁾ These key shareholders participated in the 2025 fundraising

MARKET STABILIZATION AFTER A PERIOD OF HIGH VOLATILITY IN TELEMEDICINE

- In 2025, telemedicine valuation multiples reverted to the average after a prolonged correction, confirming a shift toward more sustainable market dynamics. EV/Revenue multiples recovered from 2.7x in H1 2024 to 3.1x in H2 2024, and continued to strengthen throughout 2025, reaching ~3.9x by H2 2025. This represents the second full year of sustained stabilization following multiple successive shocks to the sector.
- This stabilization follows a period of extreme volatility triggered by the COVID-19 cycle. Pandemic-driven overinvestment pushed valuations to unsustainable levels, while the return of in-person care exposed excess capacity across telemedicine platforms. Combined with monetary tightening and rising interest rates, this led to consolidation and a sharp re-pricing of the sector, shifting investor focus toward mature, profitable business models.
- By 2025, market conditions have largely normalized, with transaction activity resuming in a more disciplined environment. While geopolitical uncertainty and changing healthcare policies—particularly in the US—continue to weigh on investor sentiment, valuation levels now reflect fundamentals rather than hype. Within the Index, US companies consistently trade at higher multiples than European peers, supported by larger scale, stronger profitability, and deeper capital markets

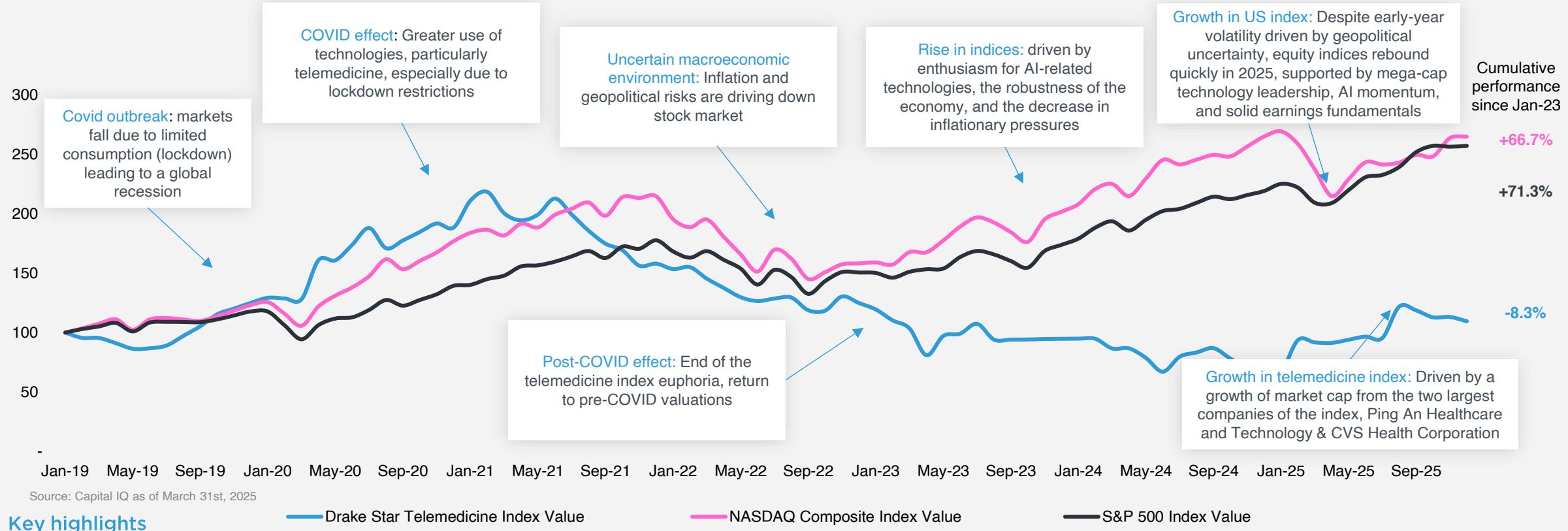
DRAKE STAR TELEMEDICINE INDEX (EV/REVENUE VALUATION)



Notes: Only the EV/Revenue of the telemedicine index components ranging from x1 to 25x were considered

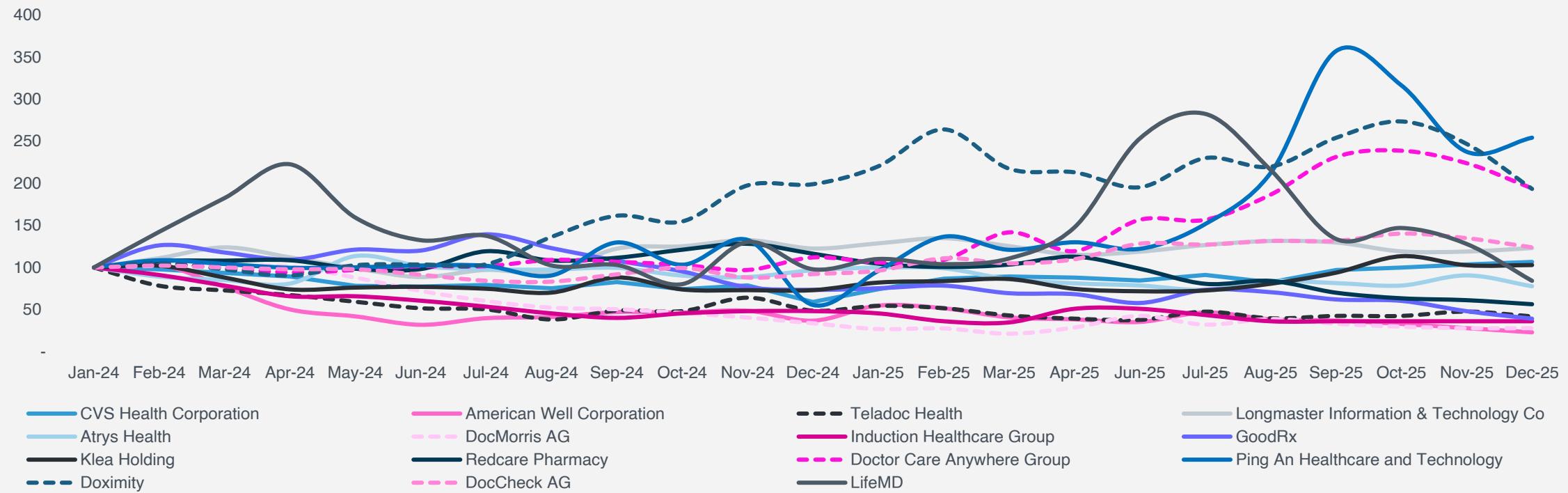
Drake Star telemedicine index gathers public telemedicine companies on a global basis. "Drake Star telemedicine index" is not a fund. The "index" is a number of global public telemedicine companies Drake Star tracks. The full list of companies included in the "index" is available on page 19. This report 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 PRESENT REBOUND OPPORTUNITIES IN 2025



- While the three indices moved in sync until January 2023, the Telemedicine Index has since underperformed significantly, declining by 8.3%, compared to gains of 66.7% for the NASDAQ and 71.3% for the S&P 500.
- However, in 2025, the Telemedicine Index showed a slight recovery of 64% during 2025, driven by a rebound in these same two companies:
 - CVS Health benefited from unexpectedly favorable Medicare Advantage reimbursement rate adjustments, stronger-than-expected Q3 earnings, and renewed investor confidence following management changes
 - Meanwhile, Ping An Healthcare returned to profitability in 2024 and 2025, supported by growth in its B2B health services segment and expansion into elderly care, reinforcing positive sentiment among investors

THE MARKET REWARDS SUSTAINABLE GROWTH AND OPERATIONAL EFFICIENCY IN TELEMEDICINE



Key highlights

- The telemedicine sector is entering a new phase marked by greater selectivity and emphasis on profitability. Investors are clearly favoring companies that demonstrate operational efficiency, revenue growth, and clear strategic positioning such as Ping An Healthcare and Technology, Doximity and Doctor Care which have all posted strong gains.
- On the other hand, players like Teladoc, and Induction Healthcare continue to struggle due to concerns around scalability and sustainable margins in a normalized, post-COVID environment
- The decline of large-cap names like LifeMD in 2025 was driven by downward revisions to revenue guidance, weaker-than-expected quarterly results, and increased competitive pressure, particularly in weight-management services.

VALUATIONS FAVOR COMPANIES WITH DEMONSTRATED PROFITABILITY

Company	Market Cap	TEV	Revenue			EBITDA			EBITDA Margin			TEV/Revenue			TEV/EBITDA			
			FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	
CVS Health	85 802	146 019	358 017	340 768	349 450	12 186	14 338	15 166	3%	4%	4%	0.4 x	0.4 x	0.4 x	12.0 x	10.2 x	9.6 x	
Doximity	7 100	6 362	441	528	550	165	218	304	37%	41%	55%	14.4 x	12.1 x	11.6 x	38.6 x	29.2 x	20.9 x	
Redcare Pharmacy	-	1 465	2 371	2 962	3 536	(13)	65	107	n.m.	2%	3%	0.6 x	0.5 x	0.4 x	n.m.	22.4 x	13.7 x	
Ping An Healthcare	3 330	2 404	636	662	751	(15)	20	40	n.m.	3%	5%	3.8 x	3.6 x	3.2 x	n.m.	n.m.	60.1 x	
GoodRX	783	1 015	765	677	698	96	230	241	13%	34%	35%	1.3 x	1.5 x	1.5 x	10.6 x	4.4 x	4.2 x	
Teladoc Health	1 058	1 327	2 482	2 149	2 172	31	237	252	1%	11%	12%	0.5 x	0.6 x	0.6 x	43.3 x	5.6 x	5.3 x	
Longmaster	554	524	49	n.a.	n.a.	6	-	-	12%	-	-	10.6 x	n.a.	n.a.	89.5 x	n.a.	n.a.	
Atrys Health	222	459	218	227	183	19	48	40	9%	21%	22%	2.1 x	2.0 x	2.5 x	23.8 x	9.5 x	11.3 x	
LifeMD	140	127	205	202	191	(14)	21	13	n.m.	10%	7%	0.6 x	0.6 x	0.7 x	n.m.	6.1 x	10.0 x	
DocMorris	-	397	1 084	1 203	1 399	(95)	(47)	(22)	n.m.	n.m.	n.m.	0.4 x	0.3 x	0.3 x	n.m.	n.m.	n.m.	
American Well	68	(87)	246	210	205	(158)	(38)	(23)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.6 x	2.3 x	3.8 x	
Klea Holding	67	69	17	n.a.	n.a.	4	-	-	21%	-	-	4.0 x	n.a.	n.a.	19.3 x	n.a.	n.a.	
DocCheck	-	43	54	n.a.	n.a.	8	-	-	15%	-	-	0.8 x	n.a.	n.a.	5.5 x	n.a.	n.a.	
Doctor Care Anywhere	32	37	48	45	52	(5)	5	5	n.m.	11%	9%	0.8 x	0.8 x	0.7 x	n.m.	7.4 x	7.6 x	
												Min	0.4 x	0.3 x	0.3 x	0.6 x	2.3 x	3.8 x
												Average	3.1 x	2.3 x	2.2 x	27.0 x	10.8 x	14.7 x
												Median	0.8 x	0.7 x	0.7 x	19.3 x	7.4 x	9.8 x
												Max	14.4 x	12.1 x	11.6 x	89.5 x	29.2 x	60.1 x

UPDATED MAPPING OF THE USA TELEMEDICINE MARKET



UPDATED MAPPING OF THE EUROPEAN TELEMEDICINE MARKET





TELEMEDICINE REPORT

Telemedicine : 2025 RECAP and 2026 OUTLOOK

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