



# NORTHBORNE PARTNERS



Behavioral Health Unplugged: Advancing Technology, Enhancing Outcomes

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March 2026

# THE SILENT CRISIS:

## America's Mental Health Epidemic

Email [mhansen@northborne.com](mailto:mhansen@northborne.com) to Receive a Copy of the Full Report



*The crisis demands scalable, accessible solutions to address a growing public health emergency, but the roadblocks need to be addressed*

# ROADBLOCKS TO RECOVERY:

## The Treatment Access Gap

Email [mhansen@northborne.com](mailto:mhansen@northborne.com) to Receive a Copy of the Full Report

*Continuing to address barriers around providers, demographics and cost is critical to capturing underserved demand and scaling impact*

# A MASSIVE OPPORTUNITY:

Tapping Into a Vast, Underserved Patient Population

Email [mhansen@northborne.com](mailto:mhansen@northborne.com) to Receive a Copy of the Full Report

*The behavioral health crisis is not just a healthcare problem it is one of the largest economic inefficiencies in the market today. Solving the problem delivers both positive clinical outcomes for patients but also financial returns for the system - specifically employers & payors*

# OVERPRESCRIPTION CRISIS:

## Failure to Treat Underlying Conditions & Overprescribing

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60%+

48%+

63%

~2x

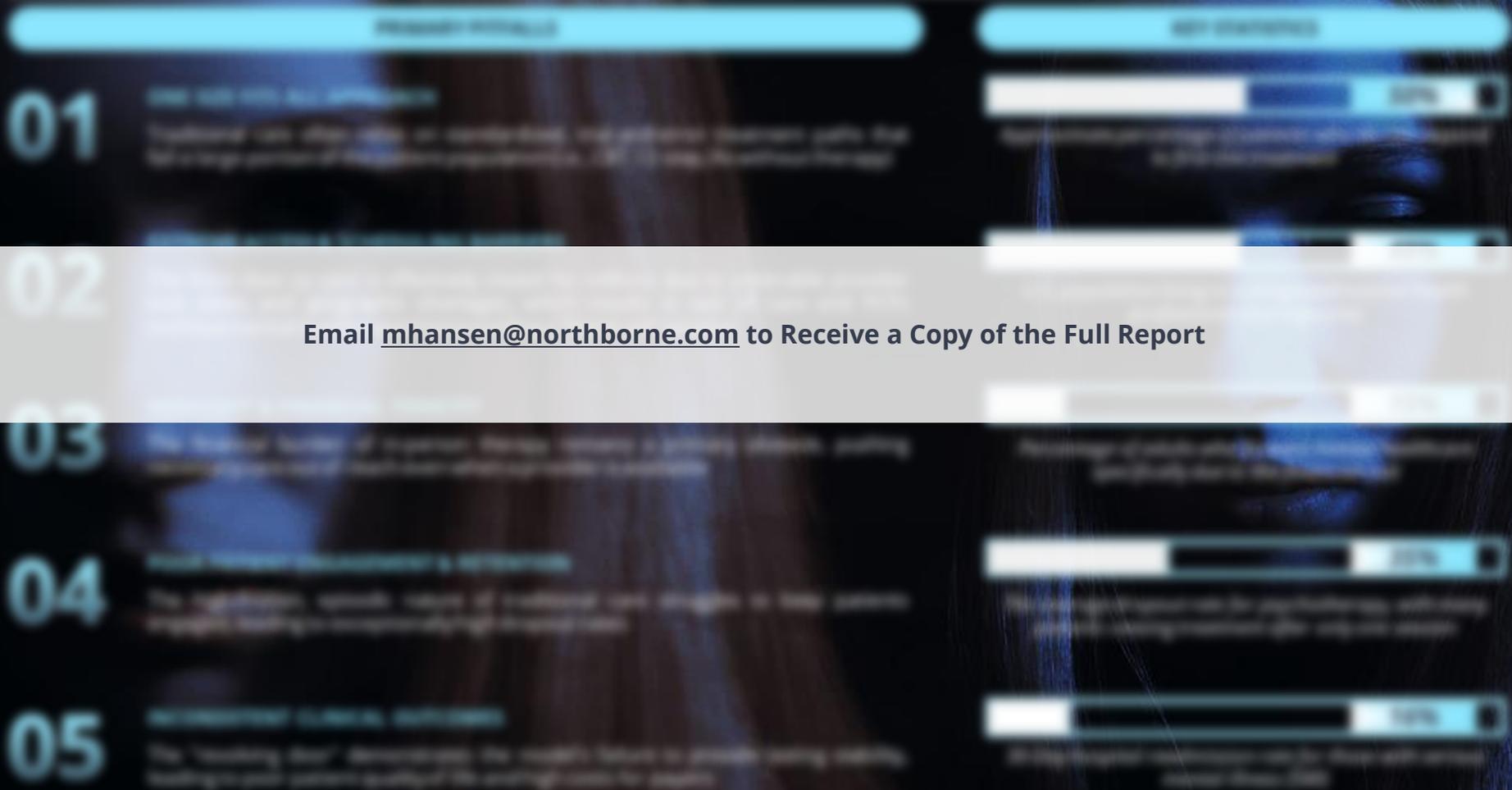
~3x

*Dramatic, multi-decade rise in prescription medication reflects a healthcare system that increasingly defaults to medication, often without addressing root causes like therapeutic and dietary support – shortages and mis-diagnoses are all too common*

# FALLING SHORT:

## Why Traditional Treatment Models Miss the Mark

THE KEY ISSUES



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**Traditional / prior behavioral health treatment models fail at every critical stage of the patient journey—from access and personalization to engagement and long-term outcomes. Modern treatment integrating behavioral, mental and physical health will continue to succeed.**

# INDUSTRY TRANSFORMATION

## How Technology is Transforming Behavioral Health

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*The industry is shifting from a reactive, one-size-fits-all model to a proactive, personalized, and scalable system that dramatically improves access and enables data-driven care with a merging of solutions for both patient care and research optimization for developing new therapies*

# FUNDING THE FUTURE

## Institutional Capital's Involvement in the Crisis

Email [mhansen@northborne.com](mailto:mhansen@northborne.com) to Receive a Copy of the Full Report

**Institutional capital is accelerating the shift away from small, inefficient, fee-for-service practices toward scaled and profitable, technology-enabled platforms. Continue through the report for insights around the M&A market and Northborne's perspectives across the segment.**

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01

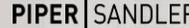
**NORTHBORNE'S BEHAVIORAL HEALTH PRACTICE**

# Northborne's Healthcare Team

We pride ourselves in running highly competitive processes that deliver optimal outcomes

### HEALTHCARE DEAL TEAM

### ADVISORY BOARD

 <b>DAN DAVIDSON</b> Managing Director	 <b>MARK HORVICK</b> Managing Director	 <b>BRAD MOSTOWY</b> Director	 <b>MATT HANSEN</b> Vice President	 <b>KEN HIGGINS</b> Advisory Board	 <b>ANDY KELLER, PhD</b> Advisory Board
<b>SUMMARY</b>	<b>SUMMARY</b>	<b>SUMMARY</b>	<b>SUMMARY</b>	<b>SUMMARY</b>	<b>SUMMARY</b>
25+ years of investment banking, advisory and behavioral health experience Partnered with Lindsay Goldberg to establish Sero Mental Health	15+ years of investment banking and corporate law experience Co-leads behavioral and digital health segments	13+ years of healthcare investment banking experience	9+ years of sell-side M&A and equity capital markets experience	30+ years of investment banking, venture capital and legal advisory experience Primary focus in and around healthcare services and medical technology	25+ years experience as a clinical and community psychologist opining on behavioral health policy, financing and best practices
<b>PRIOR EXPERIENCE</b>	<b>PRIOR EXPERIENCE</b>	<b>PRIOR EXPERIENCE</b>	<b>PRIOR EXPERIENCE</b>	<b>EXPERIENCE</b>	<b>EXPERIENCE</b>
					
<b>EDUCATION</b>	<b>EDUCATION</b>	<b>EDUCATION</b>	<b>EDUCATION</b>	<b>EDUCATION</b>	<b>EDUCATION</b>
					
<b>CONTACT</b>	<b>CONTACT</b>	<b>CONTACT</b>	<b>CONTACT</b>	<b>CONTACT</b>	<b>CONTACT</b>
ddavidson@northborne.com (C): 404-275-2461	mhorvick@northborne.com (C): 612-940-3725	bmostowy@northborne.com (C): 404-510-0820	mhanzen@northborne.com (C): 320-309-1364	khiggins@northborne.com	andy@ak2advisory.com

# Introduction to Northborne

Preeminent M&A advisor to entrepreneurs and privately-held companies

## THE NORTHBORNE DIFFERENCE

-  **Founded to specifically address the advisory needs of companies in the middle market**
-  **Decades of successful M&A experience** advising private companies within the digital, behavioral and mental health sector
-  **Hands on senior-level attention** at all steps of the process with a commitment from the whole firm
-  Strong working **relationships and reputation** in the market as a **trusted advisor**

## HEALTHCARE IS A PRIMARY FOCUS AT NORTHBORNE



MEDICAL TECHNOLOGY



DIGITAL HEALTH



PROVIDER SERVICES

## NORTHBORNE BY THE NUMBERS

**\$30-\$1B**

Range of Deal Size

**90%+**

Deal Closing Rate

**25%+**

Average Increase From  
Pitch to Final Price

**~\$31B**

Aggregate Value of Closed  
Transactions

## CLOSED DEALS BY CLIENT TYPE



## CLOSED DEALS BY INVESTOR TYPE



## CLOSED DEALS BY CLIENT LOCATION



# Northborne's Value Add to Clients

We're uniquely positioned to advise behavioral health businesses and deliver a premium result



## KEY CONSIDERATIONS



**Relevant Experience and True Sector Expertise**



**Platform and Financial Positioning**



**Buyer Access and Market Reputation**



**Sell-Side Independence With No Conflicts**



**Senior Involvement and Execution Excellence**



## RECOMMENDATIONS AND PERSPECTIVES

- Market leading experience in behavioral health, mental health and digital solutions
- The most active investment bank in behavioral health with real-time insight into the broad investor universe and unique valuation drivers

- Our experience in the space is extensive, and we provide our clients a unique, seasoned perspective on key value drivers within digital and behavioral health
- We have a track record of successfully positioning selling revenue or EBITDA including run rates, pro forma adjustments for new growth initiatives, and synergies

- We have a track record with acquirors in the industry, providing unique insight to buyer behavior and preferences
- Robust CRM utilized internally to track all buyer interactions across the entire firm for constant market intel

- Most active buyers know our firm and value the opportunities we present to them, but we are not beholden to them – our sole interest is our client's success, not chasing our next deal
- Many of Northborne's competitors offer buy-side services, leading to conflicts and "steering" certain buyers in a process due to external relationships

- Managing Directors truly offer a customized process and are heavily involved in all aspects of a transaction to ensure the highest quality of execution
- We commit a full transaction team with significant experience in the digital, behavioral or mental health space

# Healthcare – A Core Focus of Northborne

## WHY IT MATTERS



Laser Sharp Positioning



Knowledge of the Regulatory Landscape



We Know What Drives Valuations in Healthcare



Deep Understanding of Buyer Behavior



Experience Negotiating Key Terms

## EXPERIENCE

<p><b>PROJECT GRIZZLY</b></p> <p>In-Market</p> <p>HEALTHTECH</p>	<p><b>PROJECT PHOENIX</b></p> <p>Pre-Marketing</p> <p>SERVICES</p>	<p><b>PROJECT JAZZ</b></p> <p>Pre-Marketing</p> <p>SERVICES</p>	<p><b>PROJECT WOLVERINE</b></p> <p>In-Market</p> <p>SERVICES</p>	<p><b>PROJECT SKYLINE</b></p> <p>In-Market</p> <p>SERVICE</p>	<p><b>PROJECT BRAVEHEART</b></p> <p>In-Market</p> <p>DEVICE</p>	<p><b>PROJECT HEAT</b></p> <p>In-Market</p> <p>HEALTHTECH</p>	<p><b>Virtual OP Behavioral Health Company</b></p> <p>acquired by</p> <p>Undisclosed Buyer</p> <p>HEALTHTECH</p>	<p><b>Invita</b></p> <p>acquired by</p> <p>NOVACAP</p> <p>HEALTHTECH</p>
<p><b>nexus</b></p> <p>acquired by</p> <p><b>BEACON</b></p> <p>SERVICES</p>	<p><b>CCD HEALTH</b></p> <p>acquired by</p> <p><b>GeBBS</b></p> <p>HEALTHTECH</p>	<p><b>ISSOMETRIC</b></p> <p>acquired by</p> <p><b>NISSHA</b></p> <p>DEVICE</p>	<p><b>THE CENTER FOR COSMETIC SURGERY</b></p> <p>acquired by</p> <p><b>LATTICEWORK</b></p> <p>SERVICES</p>	<p><b>NORA</b></p> <p>acquired by</p> <p><b>NEP</b></p> <p>HEALTHTECH</p>	<p><b>Wings</b></p> <p>acquired by</p> <p><b>galen mental health</b></p> <p>SERVICES</p>	<p><b>MOUNTAIN MANUFACTURING TECHNOLOGIES, INC.</b></p> <p>acquired by</p> <p><b>wytech</b></p> <p>DEVICE</p>	<p><b>LIGHTHOUSE</b></p> <p>acquired by</p> <p><b>AMULET CAPITAL</b></p> <p>SERVICES</p>	<p><b>Alpha Imaging</b></p> <p>acquired by</p> <p><b>CAYMUS EQUITY</b></p> <p>DEVICE</p>
<p><b>Transplant Connect</b></p> <p>acquired by</p> <p><b>Invita</b></p> <p>HEALTHTECH</p>	<p><b>MMD</b></p> <p>acquired by</p> <p><b>TEAMVANTAGE</b></p> <p>DEVICE</p>	<p><b>ONCOLOGY SERVICES INTERNATIONAL</b></p> <p>acquired by</p> <p><b>jhp</b></p> <p>PRODUCTS</p>	<p><b>PREMIER ALLERGIST</b></p> <p>acquired by</p> <p><b>AllerVie</b></p> <p>SERVICES</p>	<p><b>INTERNATIONAL BIOPHYSICS CORPORATION</b></p> <p>acquired by</p> <p><b>Tactile MEDICAL</b></p> <p>DEVICE</p>	<p><b>CCG CONCERTED CARE GROUP</b></p> <p>acquired by</p> <p><b>Kolmac</b></p> <p>SERVICES</p>	<p><b>smart</b></p> <p>acquired by</p> <p><b>Netalytics</b></p> <p>HEALTHTECH</p>	<p><b>Netalytics</b></p> <p>acquired by</p> <p><b>PRAIRIE CAPITAL</b></p> <p>HEALTHTECH</p>	<p><b>DDS DENTURES+IMPLANT SOLUTIONS</b></p> <p>acquired by</p> <p><b>AFFORDABLE DENTURES &amp; IMPLANTS</b></p> <p>SERVICES</p>
<p><b>Mission Treatment</b></p> <p>acquired by</p> <p><b>ACADIA</b></p> <p>SERVICES</p>	<p><b>REMMELE ENGINEERING</b></p> <p>acquired by</p> <p><b>RTI International Metals, Inc.</b></p> <p>DEVICE</p>	<p><b>BIODERM</b></p> <p>acquired by</p> <p><b>MOUNTAINGATE CAPITAL</b></p> <p>DEVICE</p>	<p><b>ULTIMED</b></p> <p>acquired by</p> <p><b>LDI, Ltd.</b></p> <p>PRODUCTS</p>	<p><b>SUNTECH</b></p> <p>acquired by</p> <p><b>Halma</b></p> <p>DEVICE</p>	<p><b>Riverwood Group, LLC</b></p> <p>acquired by</p> <p><b>BayMark HEALTH SERVICES</b></p> <p>SERVICES</p>	<p><b>CENTER FOR MENTAL HEALTH</b></p> <p>acquired by</p> <p><b>BHG Behavioral Health Group</b></p> <p>SERVICES</p>	<p><b>CHAMPION HEALTH-CARING CHAIR</b></p> <p>acquired by</p> <p><b>DVI HP</b></p> <p>DEVICE</p>	<p><b>sonobello</b></p> <p>acquired by</p> <p><b>ALARIS ROYALTY CORP.</b></p> <p>SERVICES</p>

# Unmatched Behavioral Health Experience

## SELECT NORTHBORNE EXPERIENCE

<p><b>PROJECT READING</b></p> <p>Pre-Marketing</p>	<p><b>PROJECT WOLVERINE</b></p> <p>Pre-Marketing</p>	<p><b>PROJECT GRIZZLY</b></p> <p>In-Market</p>	<p><b>PROJECT PHOENIX</b></p> <p>Pre-Marketing</p>	<p>Virtual OP Behavioral Health Company</p> <p>acquired by</p> <p>Undisclosed Buyer</p>	<p>nexus</p> <p>acquired by</p> <p>BEACON</p>	<p>ADR</p> <p>acquired by</p> <p>galen mental health</p>	<p>Wings</p> <p>acquired by</p> <p>galen mental health</p>	<p>BRADFORD HEALTH SERVICES</p> <p>acquired by</p> <p>LEE EQUITY</p>
<p>LIGHTHOUSE</p> <p>acquired by</p> <p>AMULET CAPITAL PARTNERS LP</p>	<p>OSMIA BEHAVIORAL HEALTH</p> <p>acquired by</p> <p>BHG behavioral health group™</p>	<p>Ryanwood Group, LLC</p> <p>acquired by</p> <p>BayMark HEALTH SERVICES</p>	<p>CCG CONCERTED CARE GROUP</p> <p>acquired by</p> <p>Kolmac OUTPATIENT RECOVERY</p>	<p>smart Your Software Partner</p> <p>acquired by</p> <p>Netalytics</p>	<p>Netalytics</p> <p>acquired by</p> <p>PRAIRIE CAPITAL</p>	<p>Shoreline</p> <p>acquired by</p> <p>Odyssey BEHAVIORAL HEALTHCARE</p>	<p>Clearview TREATMENT PROGRAMS</p> <p>acquired by</p> <p>Odyssey BEHAVIORAL HEALTHCARE</p>	<p>EVOLVE</p> <p>acquired by</p> <p>GALEN PARTNERS</p>
<p>Mission Treatment</p> <p>acquired by</p> <p>ACADIA HEALTHCARE</p>	<p>Kolmac OUTPATIENT RECOVERY</p> <p>acquired by</p> <p>WINDROSE HEALTH INVESTORS</p>	<p>Ideal Option</p> <p>acquired by</p> <p>VARSITY HEALTHCARE PARTNERS</p>	<p>Summit BEHAVIORAL HEALTH</p> <p>acquired by</p> <p>DELPHI BEHAVIORAL HEALTH GROUP</p>	<p>Community Medical Services</p> <p>acquired by</p> <p>CLEARVIEW CAPITAL</p>	<p>CATC Canadian Addiction Treatment Centers</p> <p>acquired by</p> <p>BayMark HEALTH SERVICES</p>	<p>acorn HEALTH</p> <p>acquired by</p> <p>M&amp;F HEALTHCARE PARTNERS</p>	<p>HCRC HEALTH CARE RESOURCE CENTERS</p> <p>acquired by</p> <p>BayMark HEALTH SERVICES</p>	<p>New Beginnings</p> <p>acquired by</p> <p>HERIDIAN BEHAVIORAL HEALTH</p>
<p>LA VENTANA TREATMENT PROGRAMS</p> <p>acquired by</p> <p>ALSANA</p>	<p>RED OAK RECOVERY</p> <p>acquired by</p> <p>BRADFORD HEALTH SERVICES</p>	<p>Recovery Centers of America</p> <p>acquired by</p> <p>DEERFIELD Advancing Healthcare®</p>	<p>BRADFORD HEALTH SERVICES</p> <p>acquired by</p> <p>CENTREPARTNERS</p>	<p>Muir Wood</p> <p>acquired by</p> <p>Knight Holdings</p>	<p>Perimeter Healthcare</p> <p>acquired by</p> <p>Ridgemont EQUITY PARTNERS</p>	<p>DISCOVERY HOUSE</p> <p>acquired by</p> <p>ACADIA HEALTHCARE</p>	<p>QAM</p> <p>acquired by</p> <p>ACADIA HEALTHCARE</p>	<p>Constellation BEHAVIORAL HEALTH</p> <p>acquired by</p> <p>NMS   CAPITAL</p>
<p>canopy cove</p> <p>acquired by</p> <p>LIG</p>	<p>calo programs</p> <p>acquired by</p> <p>HOUSATONIC</p>	<p>monte nido</p> <p>acquired by</p> <p>LEVINE LEICHTMAN CAPITAL PARTNERS</p>	<p>SUNSPIRE</p> <p>acquired by</p> <p>KOHLBERG &amp; COMPANY</p>	<p>Duffy's</p> <p>acquired by</p> <p>ACADIA HEALTHCARE</p>	<p>ADORE HOSPITAL OF WORCESTER, INC.</p> <p>acquired by</p> <p>American Addiction Centers</p>	<p>Oliver-Pyatt CENTERS</p> <p>acquired by</p> <p>monte nido</p>	<p>McCallum Place Eating Disorder Centers</p> <p>acquired by</p> <p>ACADIA HEALTHCARE</p>	<p>REMUDA RANCH</p> <p>acquired by</p> <p>THE MEADOWS</p>

# Why Hire An Investment Banker

## WHAT IS THE VALUE?

### 01 PROTECT YOUR TIME AND FOCUS

- Bankers take on the time-intensive deal work—managing buyer outreach, diligence, and negotiations, so you don't have to
- Minimizes day-to-day distractions that can hurt growth, patient outcomes, or culture during a pivotal period
- Shields sensitive information and strategic priorities from early market leaks and rumor risk

### 02 DRIVE COMPETITIVE TENSION

- Drives the highest valuation through competition tension and expert positioning of your unique story
- More favorable non-economic terms—such as management retention packages, earn-outs, and rollover equity aligned to your goals.
- Craft the narrative around your outcomes, quality metrics, and differentiation points that resonate with financial and strategic buyers

### 03 ENHANCE CERTAINTY TO CLOSE

- Anticipates diligence “gotchas” and regulatory landmines unique to behavioral health, smoothing the path to close
- Keeps buyers honest, transparent, and on deadline—driving process momentum from first meeting through final signatures
- Troubleshoot bottlenecks proactively to minimizing surprises that can derail a deal in later stages

## ARE THE RESULTS WORTH THE FEE? – SHORT ANSWER IS YES

**ILLUSTRATIVE SCENARIO:** You recently received initial indications (IOI) at \$100M. Based on your engagement letter, the success fee is 2% up to \$100M, 4% of the incremental value between \$100M - \$115M and 5% above \$115M

SCENARIO >>	ONE-OFF PROCESS		BANKER-LED	
	%	\$	%	\$
<i>\$ in millions</i>				
Company Revenue	--	\$25	--	\$25
Revenue Multiple	--	4.0x	--	4.0x
<b>Initial Enterprise Value</b>		<b>\$100</b>		<b>\$100</b>
<b>Negotiated / Competition Price Increase</b>	0%	<b>\$100</b>	25%	<b>\$125</b>
Success Fee	0%	\$0.0	2%	\$2.0
Gear #1	0%	\$0.0	4%	\$0.4
Gear #2	0%	\$0.0	5%	\$0.5
<b>Total Fee</b>		<b>\$0.0</b>		<b>\$2.9</b>
<b>Ownership / Company Proceeds</b>		<b>\$100.0</b>		<b>\$122.1</b>

## NB STATISTICS<sup>(1)</sup>

# 15

Average # of IOIs Per Deal

# 25%

Pitch Midpoint to Close Price

# 90%

Average Closed Deal Rate

## DON'T TAKE IT FROM US...



NORTHERN TRUST

Study of 4K+ transactions, which resulted in 1.5x higher average EBITDA valuation multiple with a narrower gap in valuation outcomes per buyer indication / bid

**Multiple Increase**

**+1.5x**

THE UNIVERSITY OF ALABAMA

Portland State UNIVERSITY

Study of 4K+ transactions spanning 20 years by University of Alabama and Portland State showed that sellers who retained an investment bank saw a valuation increase of 25%

**Valuation Premium**

**25%**



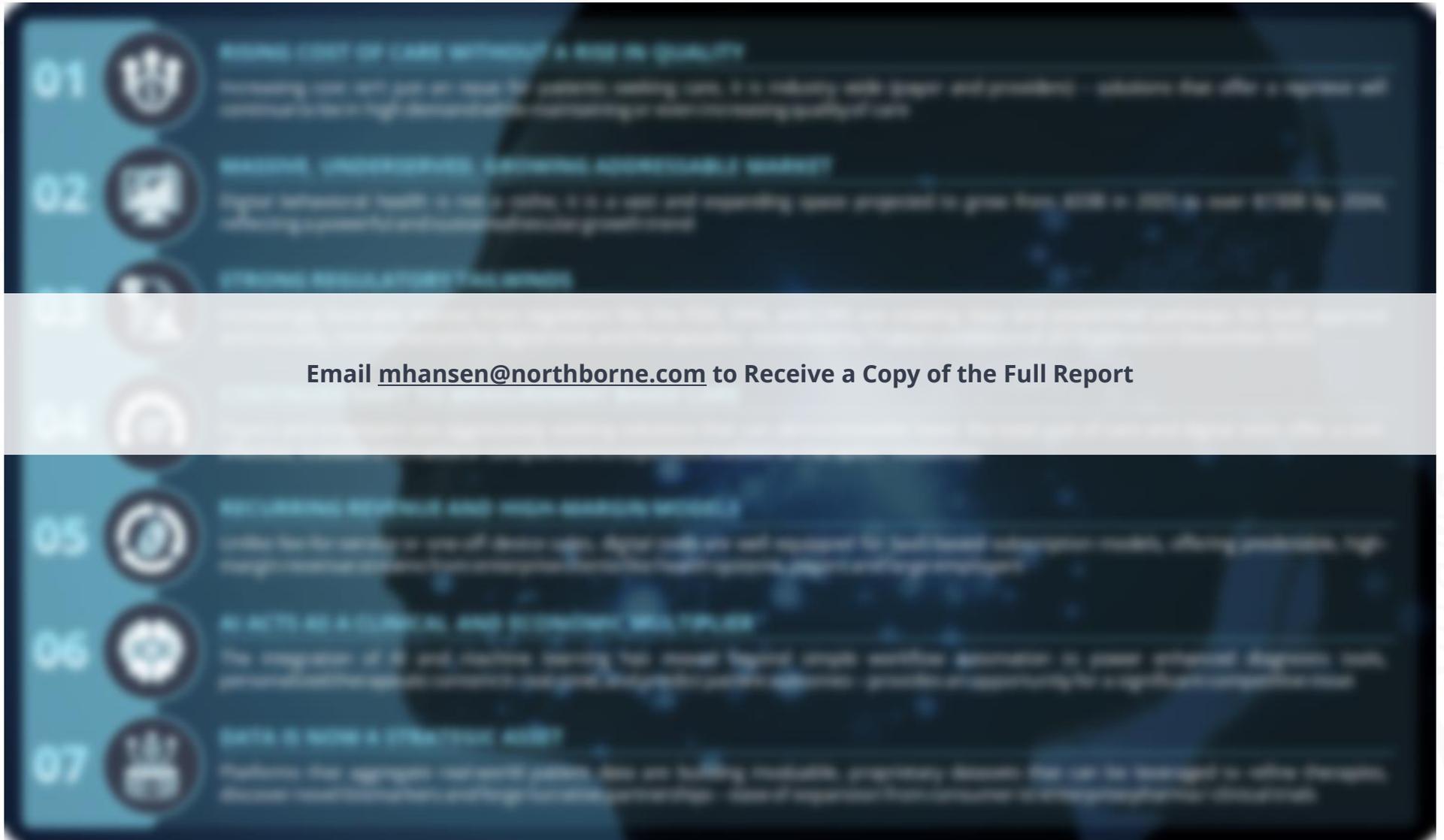
# 02

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## BEHAVIORAL HEALTH MARKET BACKDROP

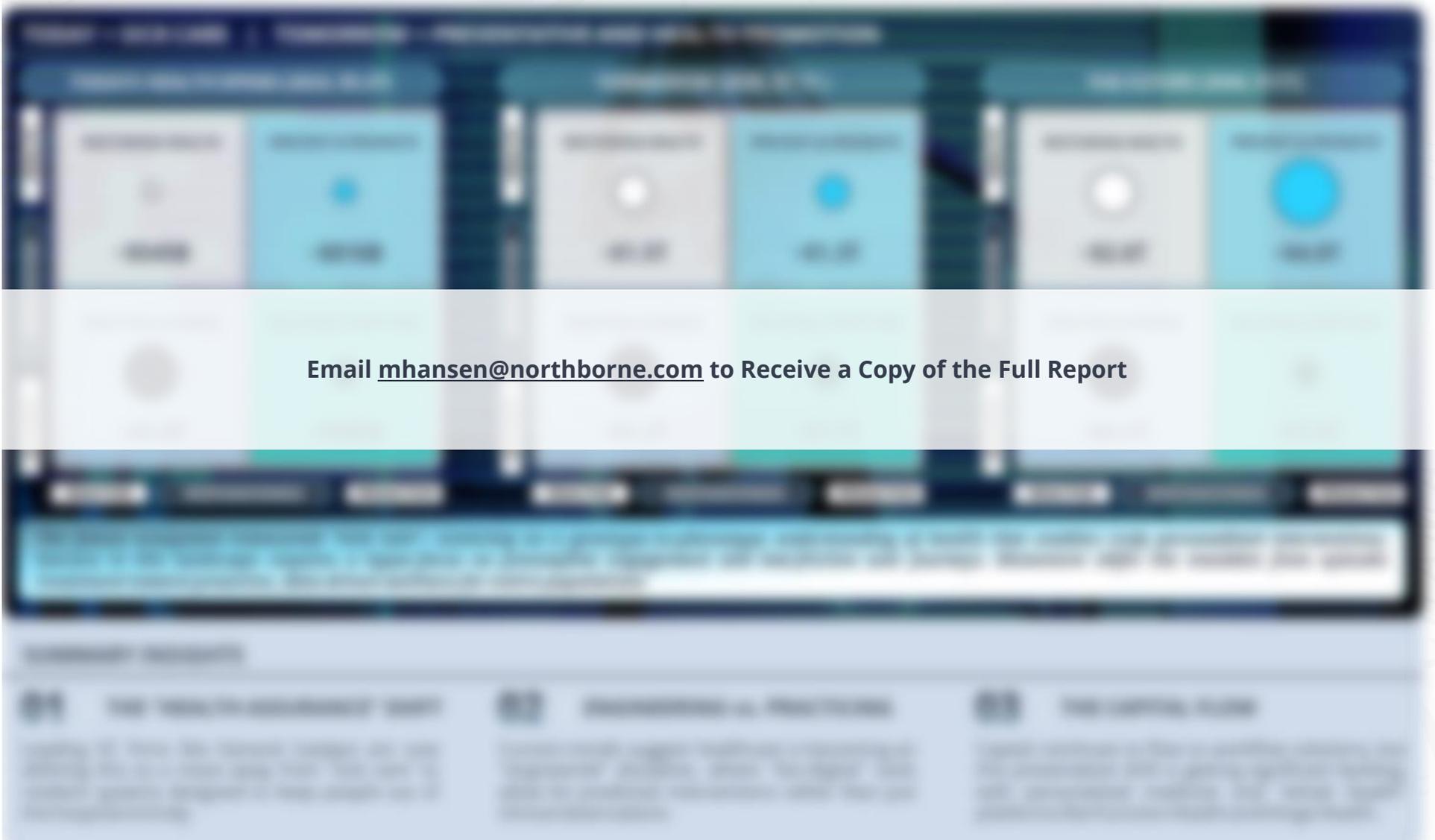
# The Digital Investment Thesis

Persistent challenges continue to drive the need for behavioral health technology and care



# Shift Towards Wellness Favors Digital Modalities

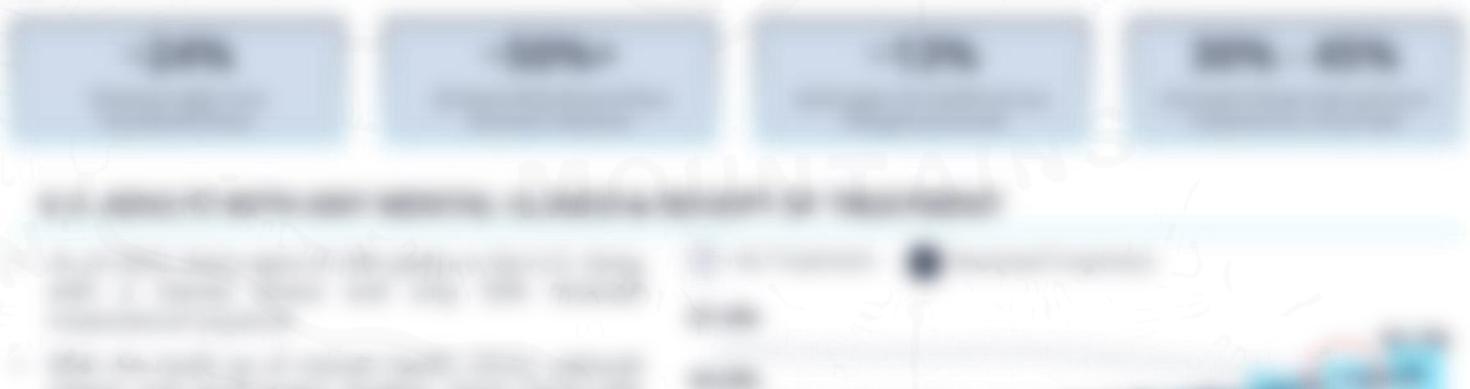
Over time, the United States will continue its shift from treating sickness to promoting preventative health



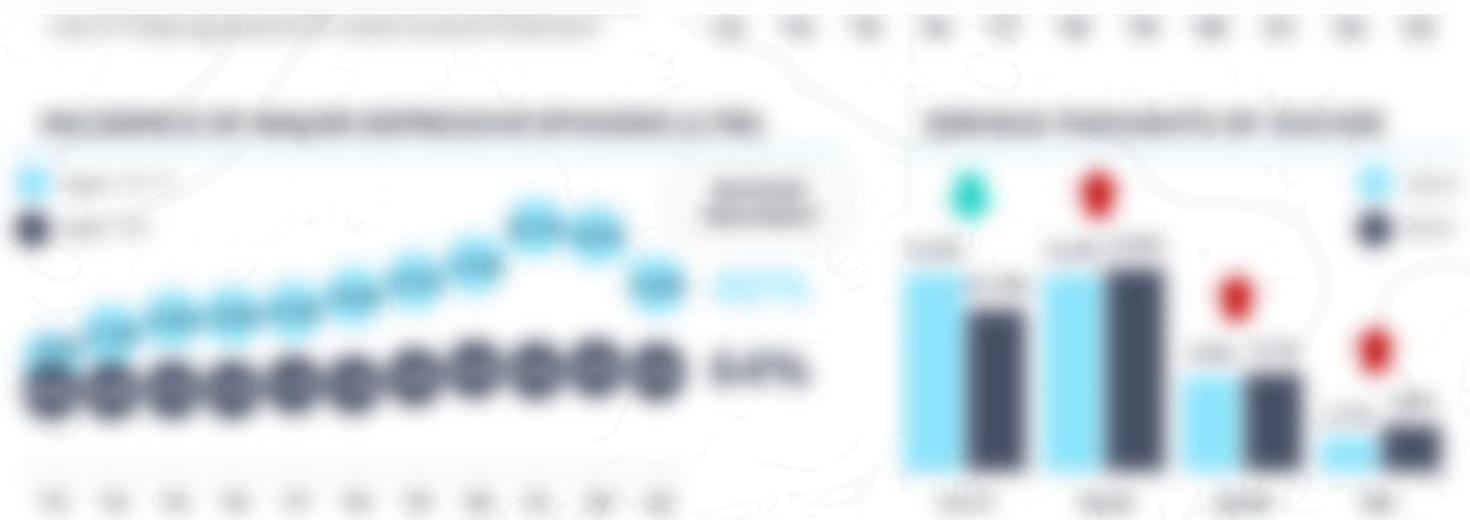
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# Mental Health in the U.S.

Large opportunity with significantly increasing incidence across younger populations



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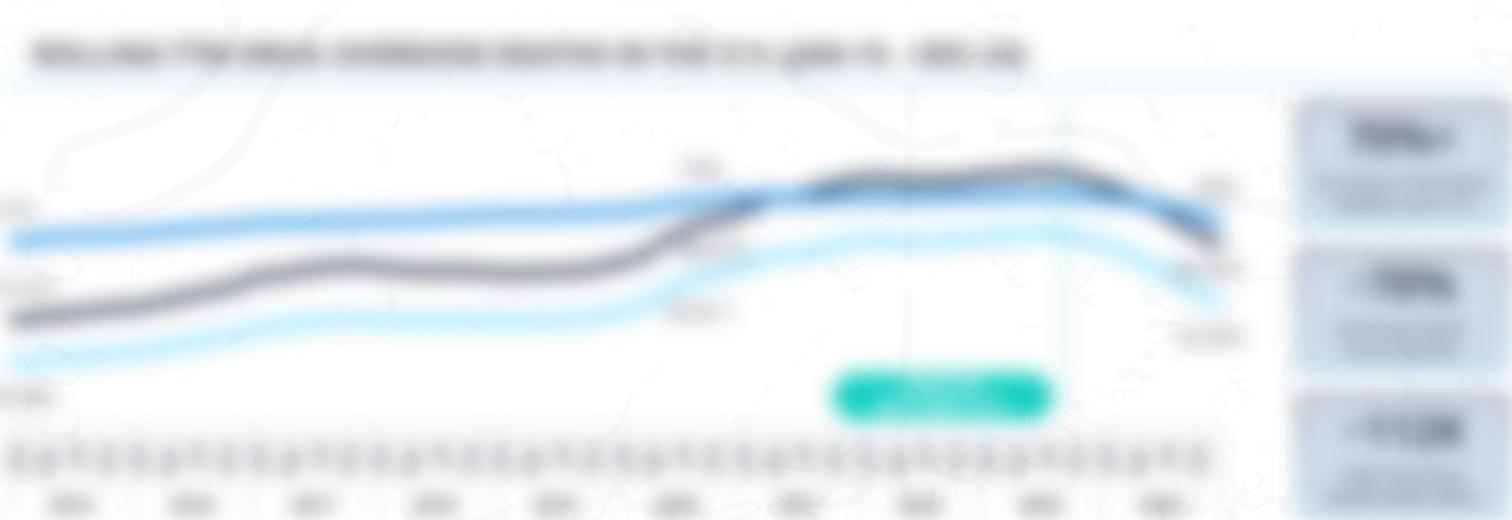


# Substance Use Disorders in the U.S.

Incidence has far surpassed clinic expansion enhancing need for virtual options



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# Eating Disorders in the U.S.

High prevalence of co-occurring disorders among individuals with eating disorders

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# Whole Health & Integrated Care

Physical & Mental Health are two-sides of the same coin

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# IDD / ASD in the United U.S.

Rising incidence of disabilities, particularly autism spectrum disorder (ASD)

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# Negativity Increasing in Parallel With Social Media

Behavioral indications / visits among patients below age 18 have increased at rates higher than overall population

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A woman with a backpack is walking on a path, looking towards the right. The background is a dark, textured surface. In the top right corner, there is a large white triangle graphic.

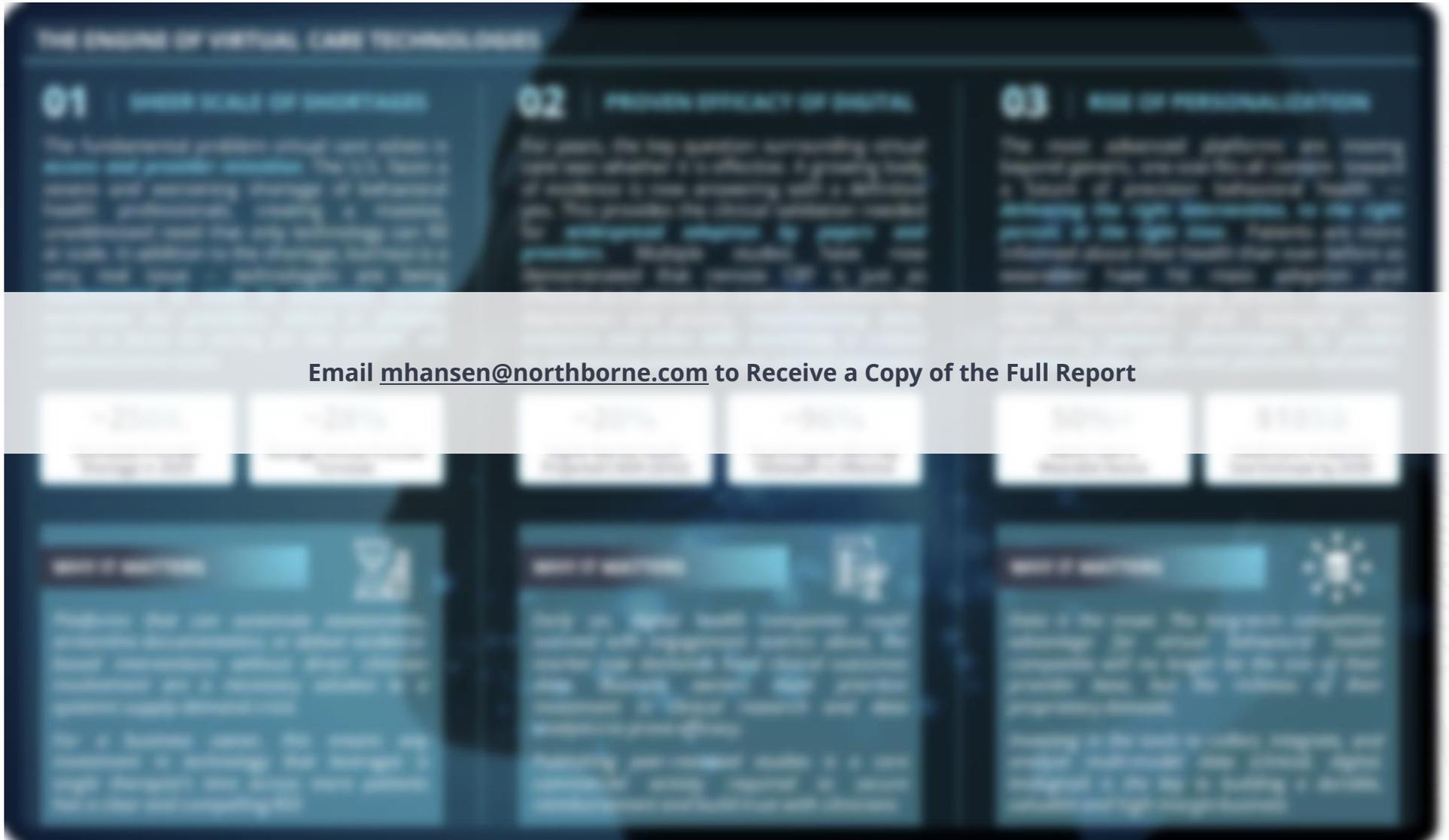
# 03

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**THEMATIC SPOTLIGHT**

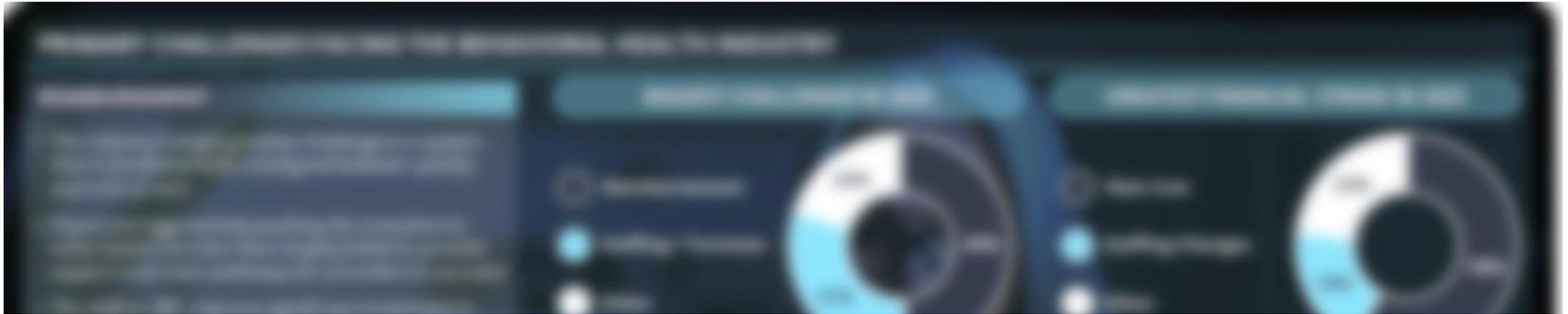
# General Behavioral Health Trends

Measurement-based care and personalization are increasing engagement, outcomes and retention

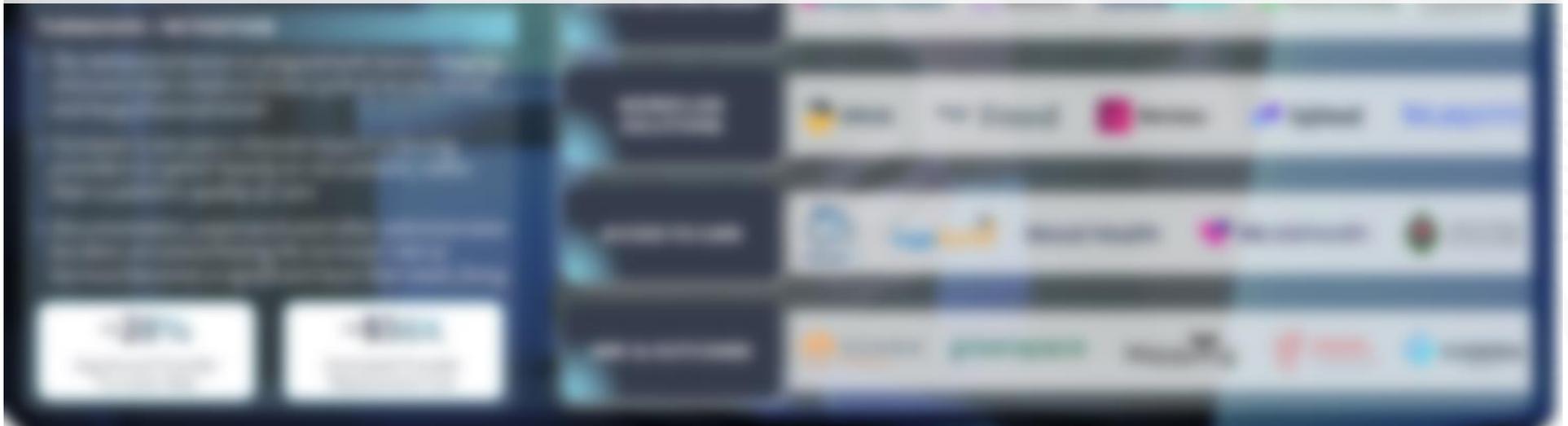


# The Growing Need for Tech-Enabled Solutions

Solutions on reimbursement risk and provider retention are key to enhancing patient outcomes

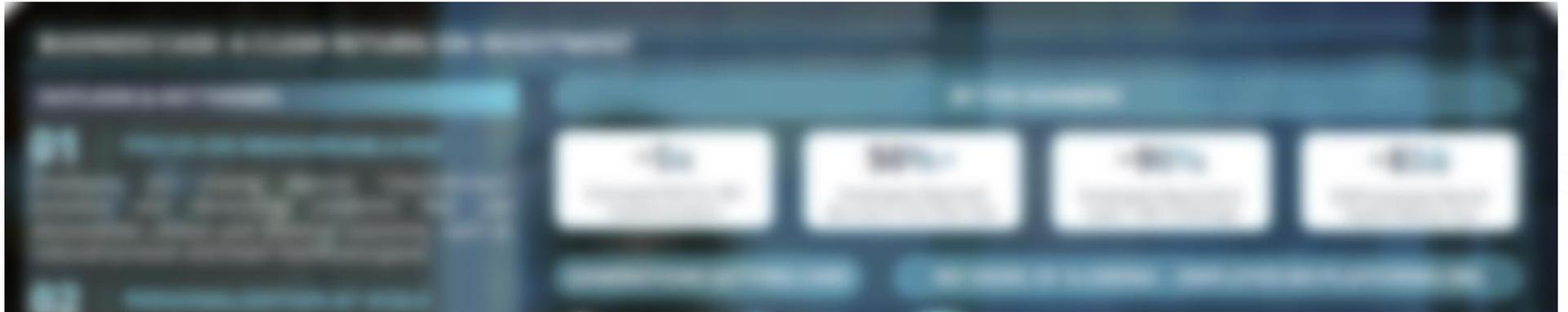


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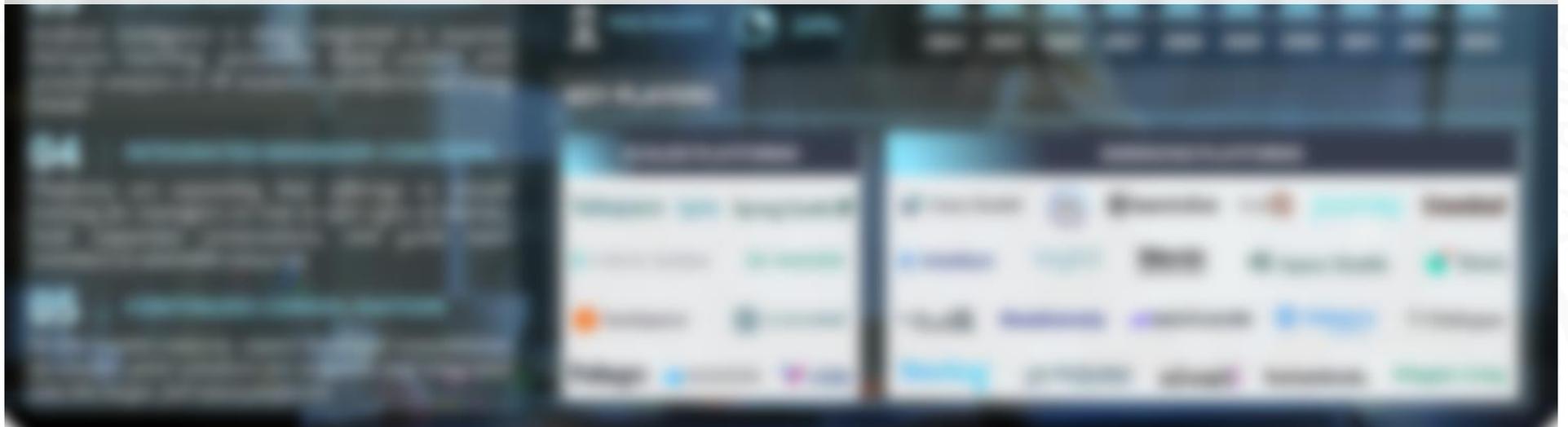


# Continued Rise of Employer Health Tools

The implementation of general health measures for employees has proven its benefit and ROI



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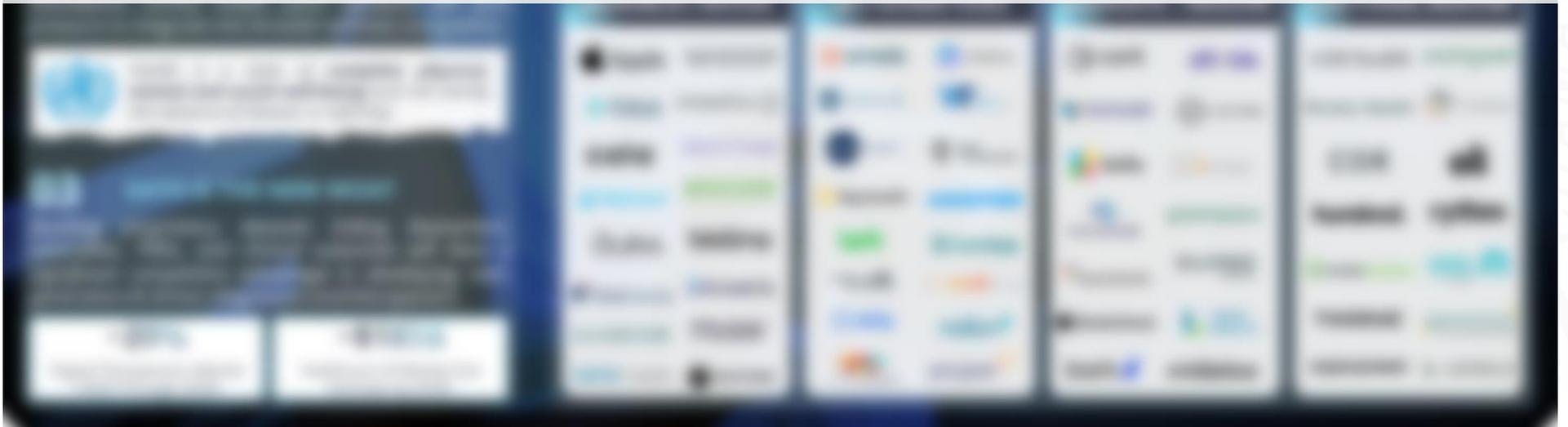


# A Shift From “Sick” Care to Preventative Care

A new focus on integrated, preventative care has gone mainstream as patients work toward total body wellness

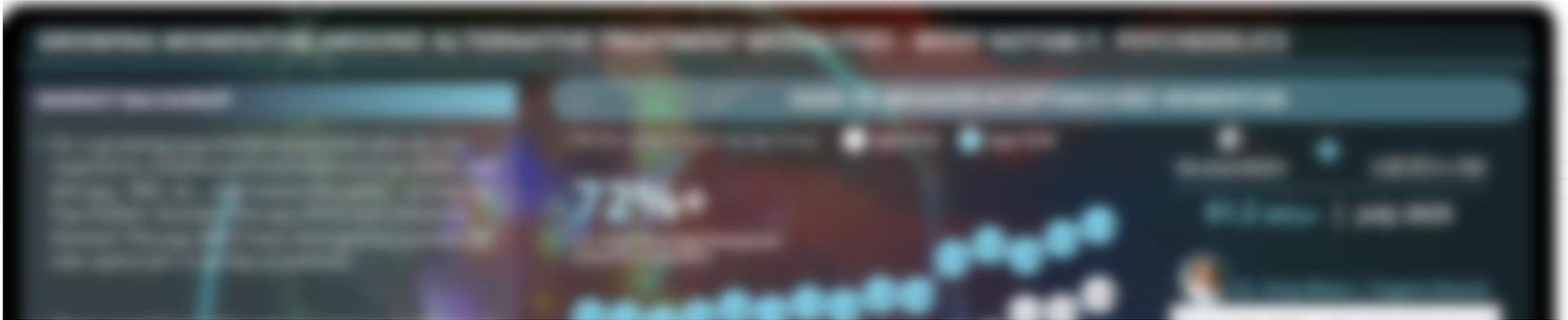


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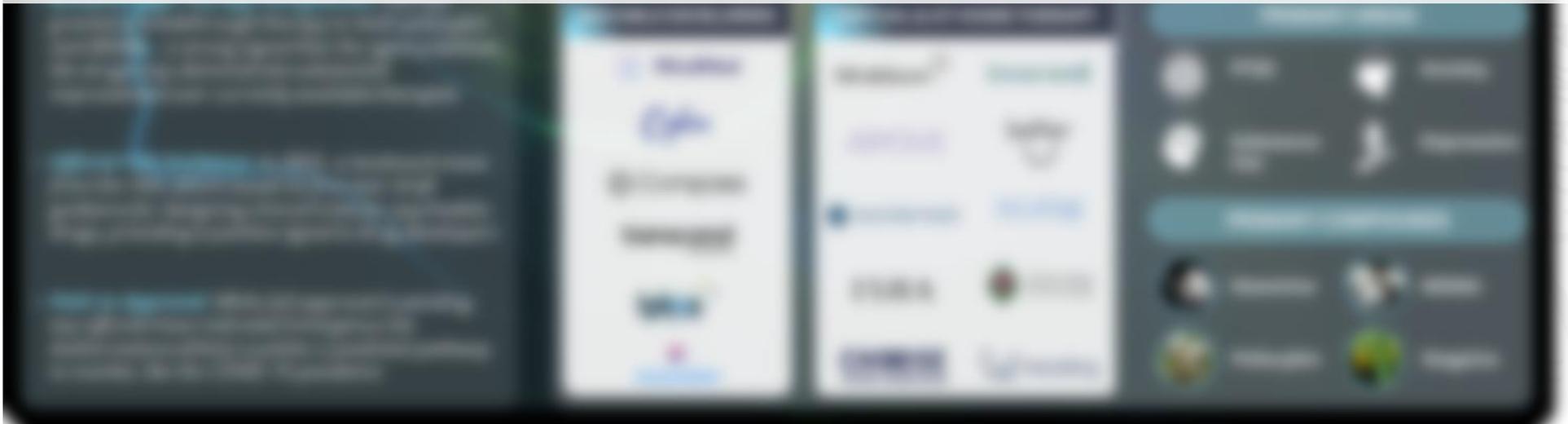


# Alternative Therapies - Exciting New Frontier

Historically a taboo topic, alternative therapies continue to show exciting outcome potential

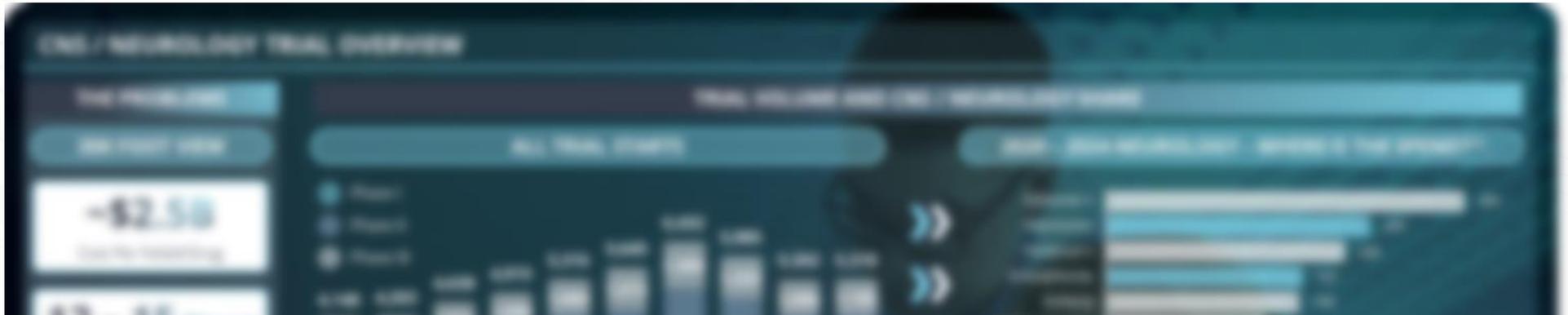


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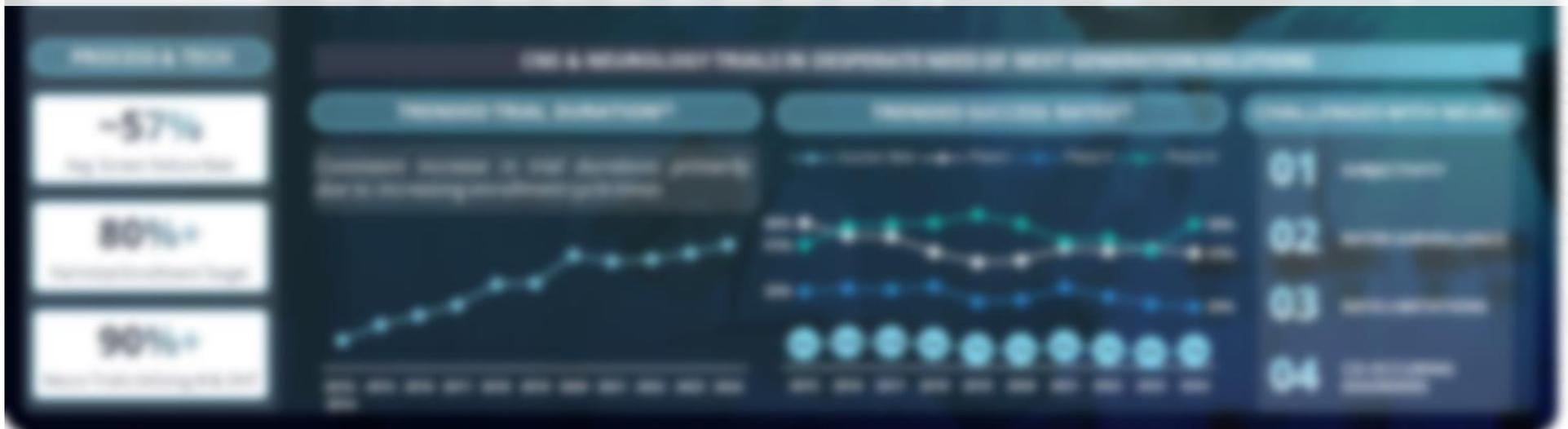


# Tech That Can Expand Market Segments

Significant investments are being made on R&D to bring new CNS / Neuro / MH treatments to the masses

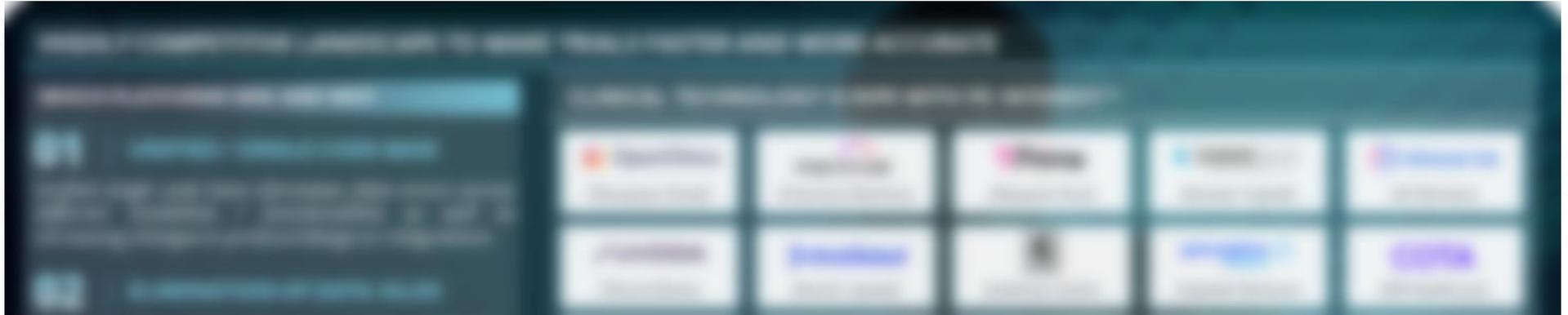


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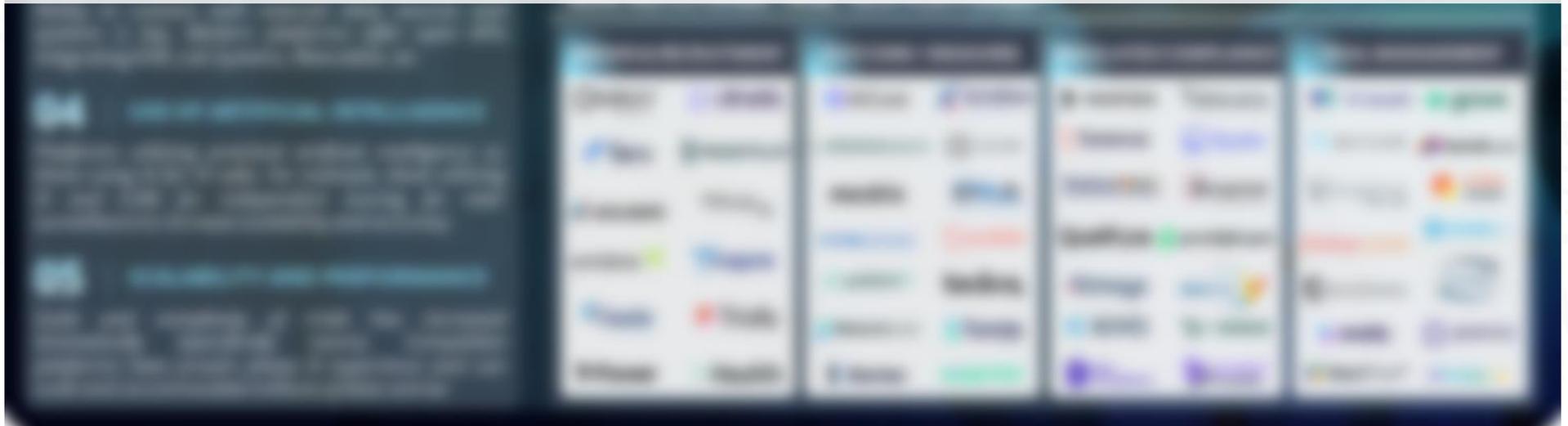


# Tech That Can Expand Market Segments

For the most part, the “competitive edge” in R&D is the same as those in virtual patient care / therapeutics



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A close-up photograph of two women smiling warmly. The woman on the left is a Black woman with short hair, wearing a denim jacket. The woman on the right is a white woman with long hair, wearing a white tank top. They are both holding a small, dark-colored dog. The background is dark and out of focus. A white triangle graphic is in the top right corner.

04

**M&A AND CAPITAL MARKETS UPDATE**

# Healthcare M&A Update (North America)

Market has stabilized at pre-COVID levels and investors are spending more on less given more flexible lending environment



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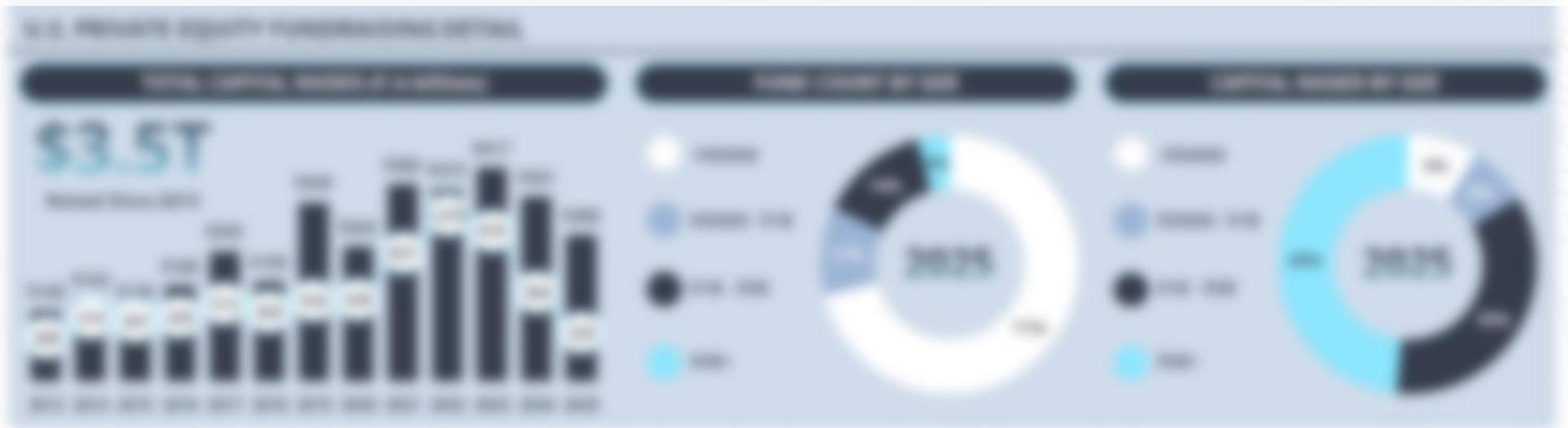


# Private Equity Activity (North America)

Healthcare continues to be of interest to private equity, specifically those with resilient, profitable models

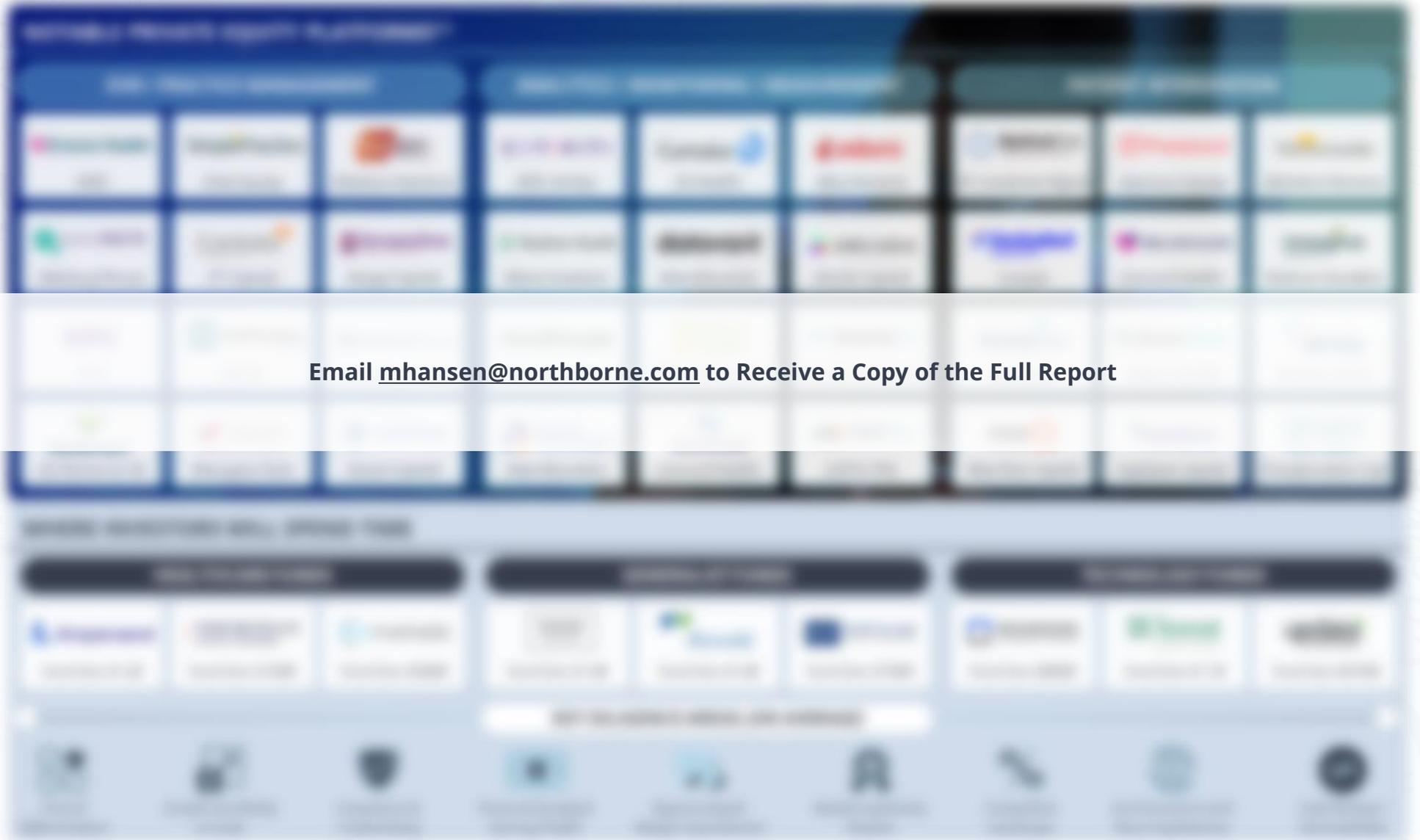


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# Private Equity Platforms in Digital Behavioral

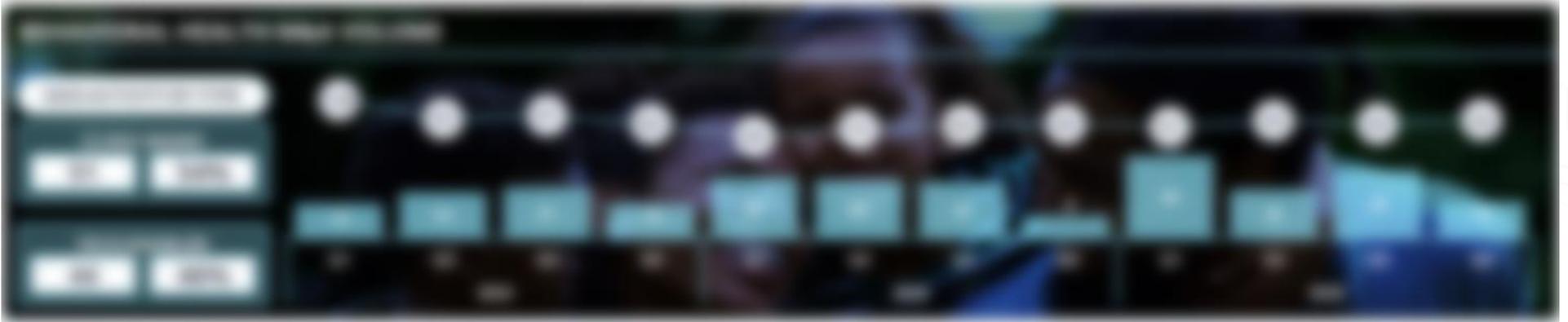
Interest in B2B platforms with capabilities that can span channels (payor, provider, etc.) and segment (BH, primary, etc.)



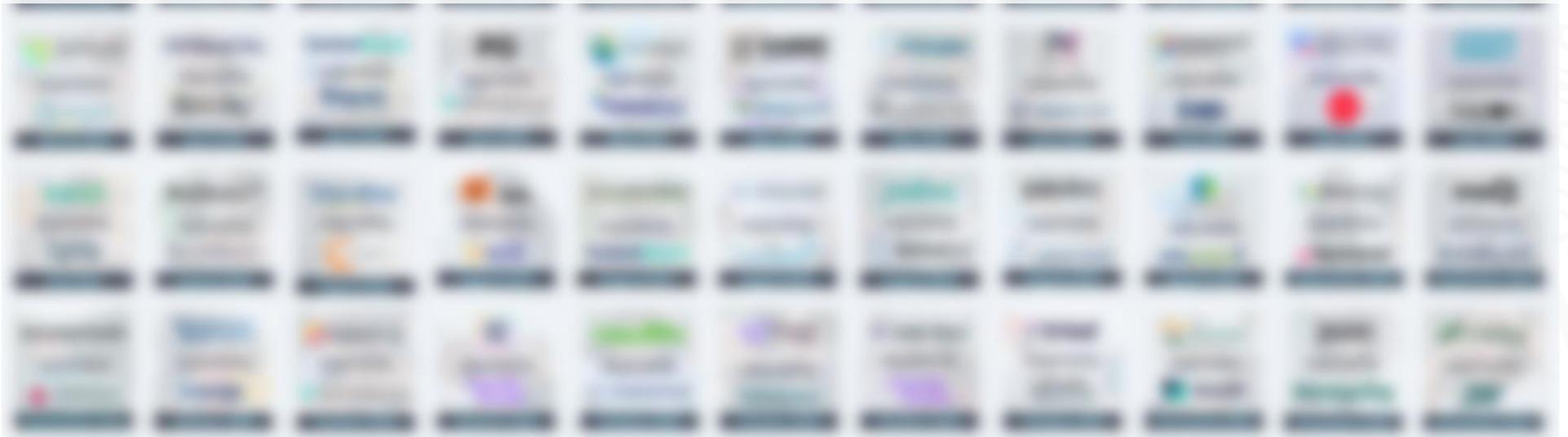
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# Behavioral Health M&A Activity

Strong, consistent volumes across both clinic-based businesses and a growing share of tech-enabled targets



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# Healthcare Technology Valuation Summary

The broader segment has faced significant pressure post-COVID but are recovering nicely in the LTM period

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# Public Company Benchmarking

Strong growth, specifically Digital Health and Devices with highly consistent margin profile in each

PROVIDER TECHNOLOGY	PAYOR TECHNOLOGY	PHARMA TECHNOLOGY	DIGITAL HEALTH	DEVICE / MONITORING
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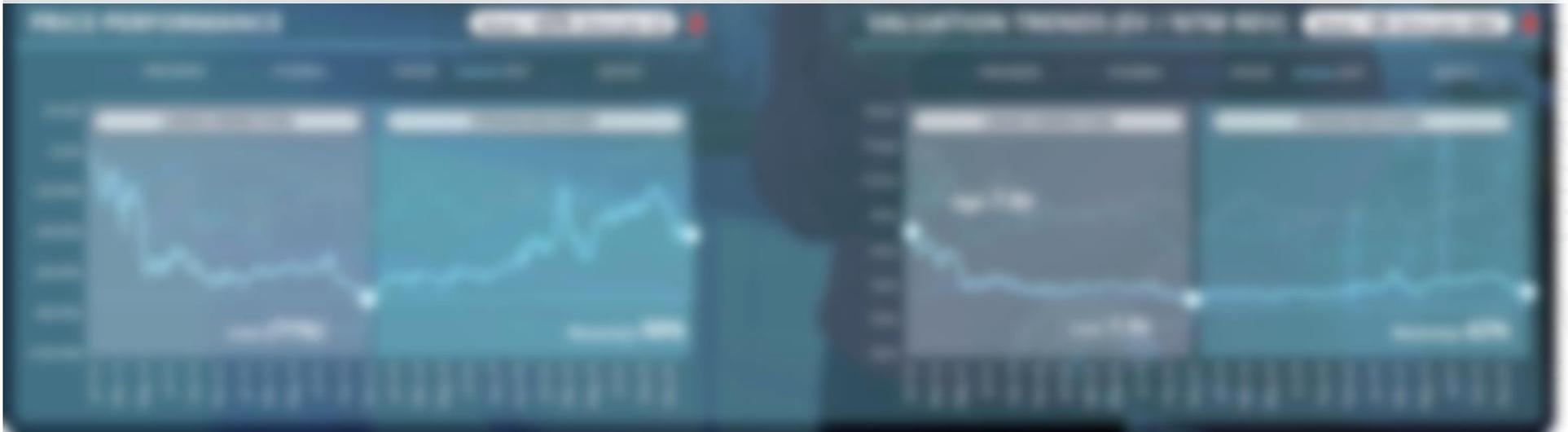


# State of Public Digital Health Companies

A segment that faced tremendous pressure post-COVID but showing promising signs of a successful recovery



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# Digital Health Venture Capital Activity

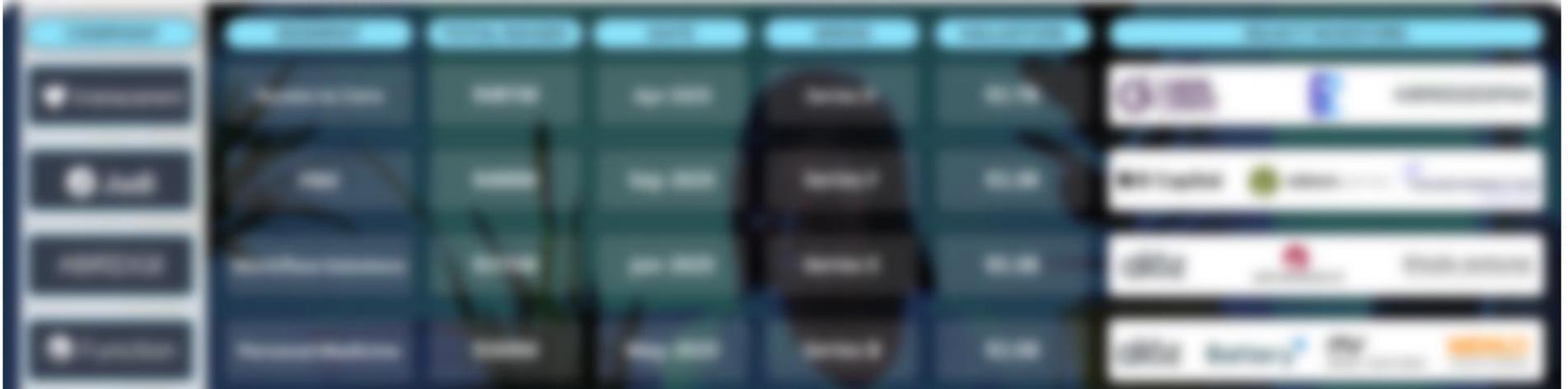
Digital health companies are attracting a significant amount of capital to enhance patient care & efficiencies



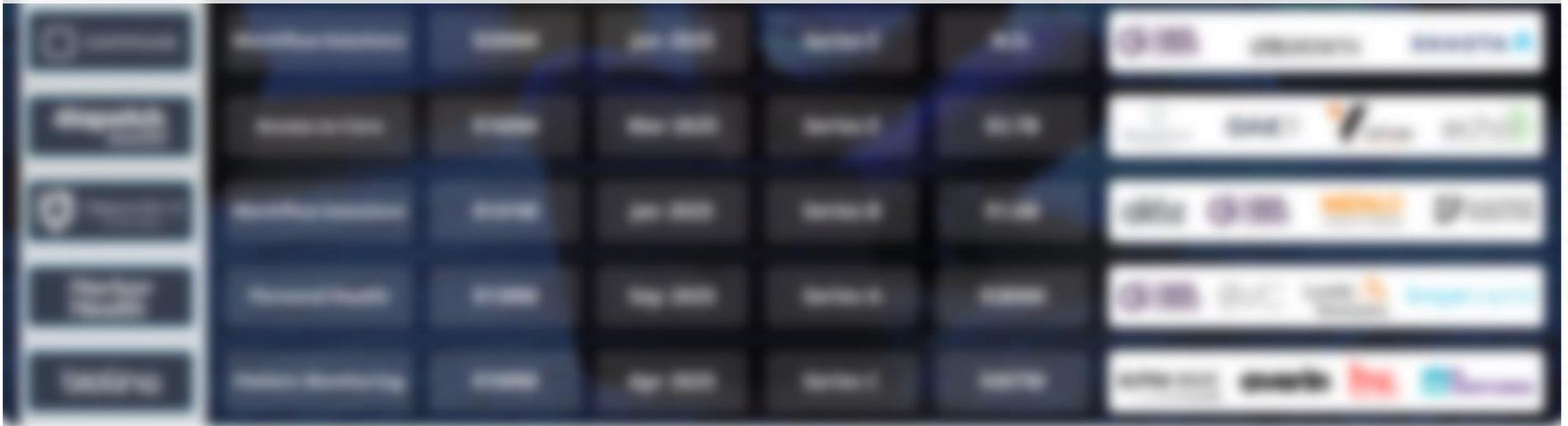
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A blurred table with multiple rows and columns. Each row contains a small logo or icon on the left, followed by several columns of text and numbers. The table is presented in a light blue background with rounded corners.

# Digital Health Bellwether Raises



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FOR MORE INFORMATION ON THE BEHAVIORAL & DIGITAL HEALTH SPACE, M&A, VALUATION AND INDUSTRY THEMES, OUR TEAM WOULD LOVE TO CONNECT:



*ddavidson@northborne.com*  
*(C): 404-275-2461*



*mhorvick@northborne.com*  
*(C): 612-940-3725*



*bmostowy@northborne.com*  
*(C): 404-510-0820*



*mhansen@northborne.com*  
*(C): 320-309-1364*

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