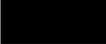


Valuation Analysis —



Prepared for 

Completed on October 19, 2023



Fidelman & Co.



Table of Contents

██████ - Industry Categorization	3
HealthTech and AI Industries - Valuation Multiples	3
Online Marketplaces - Valuation Multiples	4
Valuation Analysis - ██████	6
Sources	7
Disclosure	9

Valuation Analysis- [REDACTED]

[REDACTED] should likely currently be valued at \$14.9 million.

[REDACTED] - Industry Categorization

[REDACTED] is an [AI-powered marketplace](#) connecting healthcare facilities with qualified medical professionals to fill staffing gaps in real time.

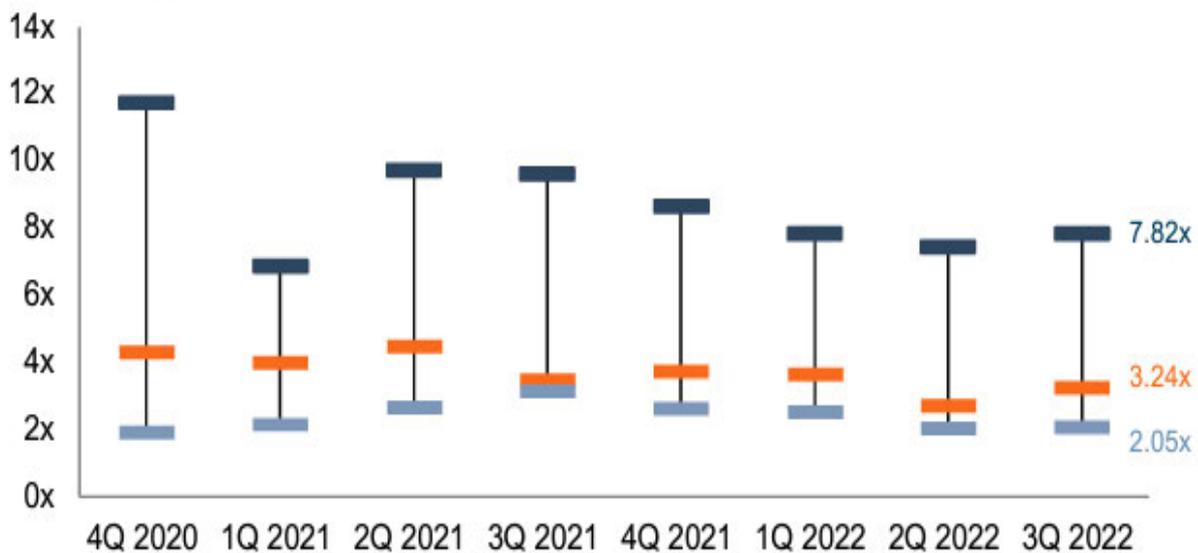
The company uses AI to disrupt the healthcare staffing industry with an online marketplace business model. Therefore, it should be valued primarily as a healthcare company in general, with a strong AI component and marketplace economics.

HealthTech and AI Industries - Valuation Multiples

[Mercer Capital](#) found that healthcare technology companies were trading at an average of **3.24x** at the end of 2022. Software-only companies with high margins tended to trade at or above the average multiple, while hardware heavy companies usually traded below the average.

Healthcare Technology

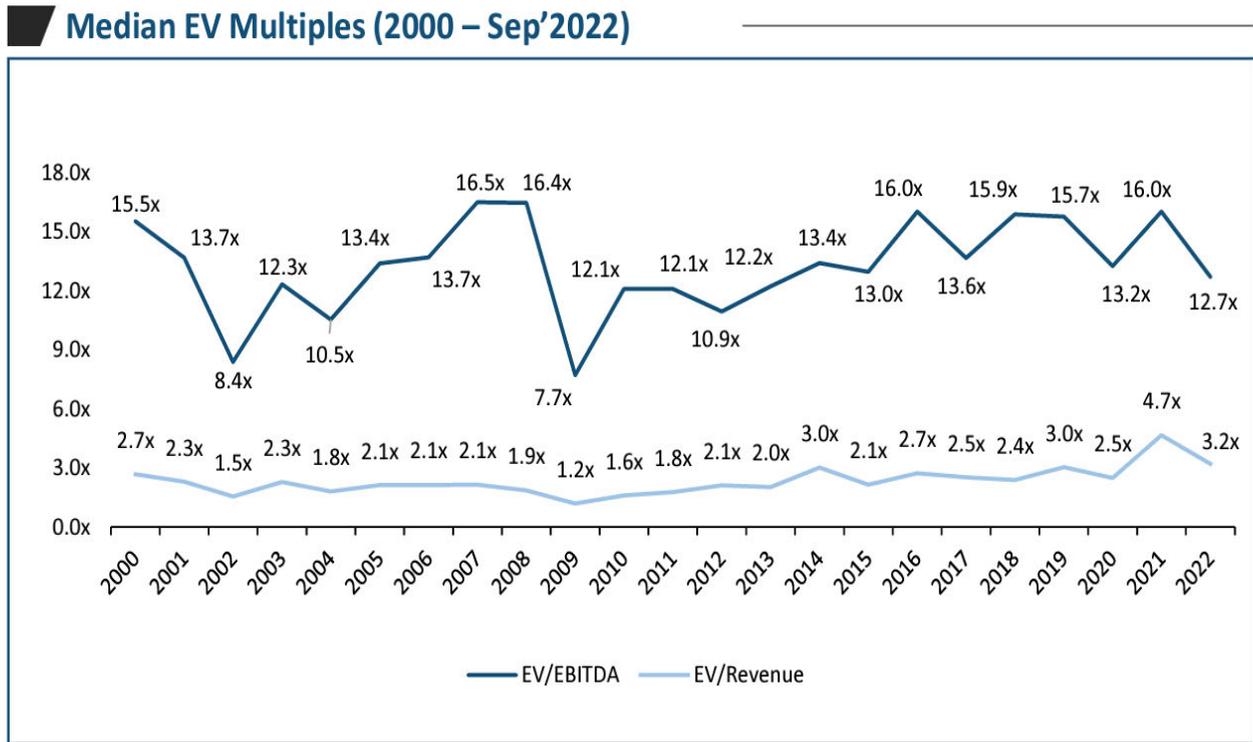
EV / Trailing LTM Revenue



When analyzing M&A deals in 2022 and Q1 of 2023 specifically, [Nelson Advisors](#) found that HealthTech companies sold for **5.6x** their annual revenue on average.

[FirstPageSage](#) determined that MedTech companies with annual revenues between \$1M and \$5M traded at a **3.1x** revenue multiple
annual revenues between \$6M and \$10M traded at a **3.9x** revenue multiple

The median revenue multiple for healthcare companies is **3.2x**, according to the [Peakstone](#) investment bank.



Source: Capital IQ
 Note: As of Sep 30, 2022

[Kroll](#) found that healthcare technology companies traded at a **3.3x** revenue multiple in 2023.

Telstra Ventures' general partner Yash Patel [estimates](#) that AI startups are raising funds at a **5x** revenue multiple over their annual revenue. A lot of promising startups can raise funding at a 10x multiple. However, the industry is still nascent and public comparables are few and far between.

[Finerva](#) offers more subdued revenue multiples of only **2.5x** as the end of 2022 median, noting that the AI hype wave might be subsiding.

It should be noted that traditional non-tech-enabled healthcare staffing companies trade at significantly lower revenue multiples. According to [Capstone Partners](#), the median revenue multiple was only 0.6x in April 2023.

Online Marketplaces - Valuation Multiples

[Greenwich Capital Group](#) determined that marketplaces were trading at an average revenue multiple of **2.7x** in the second quarter of 2023. The analysis of individual companies in the marketplace category determined that capital efficiency is more important than ever.

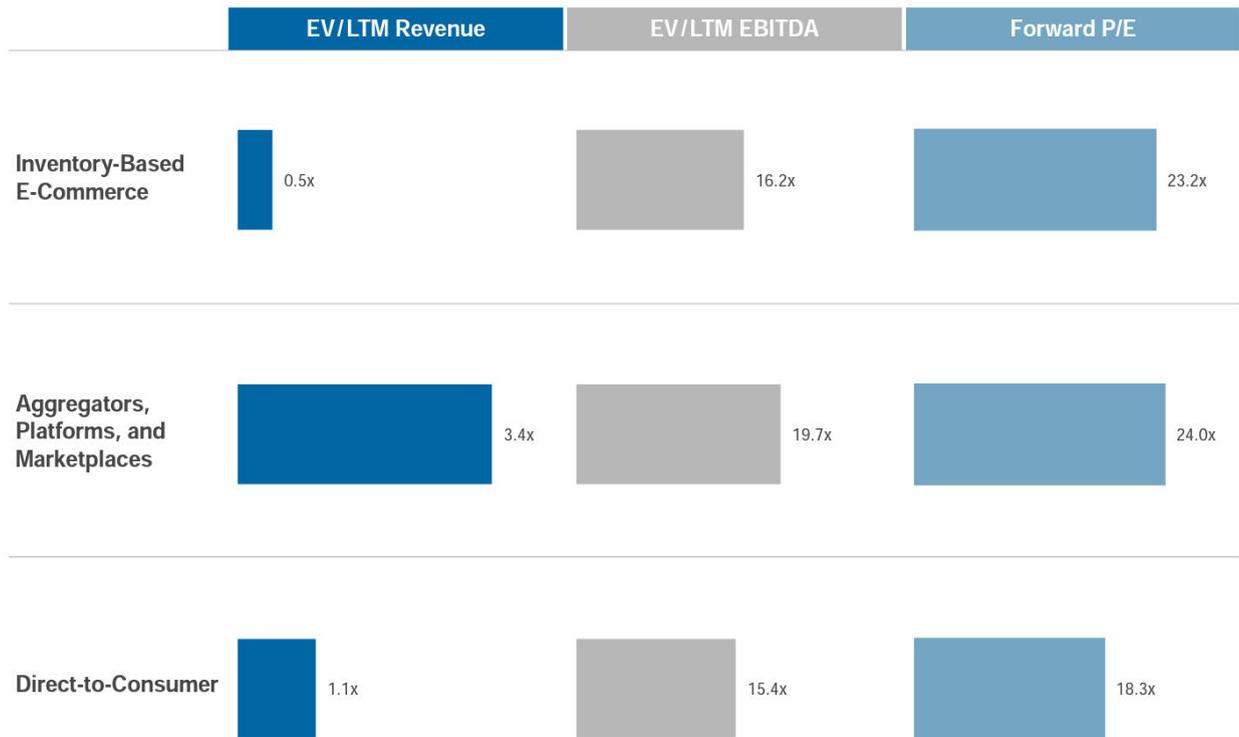
It also found that investors and strategic acquirers are mostly equating gross merchandise value and revenue when valuing companies because it becomes too hard to accurately compare marketplaces against each other when looking at revenue

specifically due to different revenue recognition methods and business models. Ideally, EBITDA multiples are used whenever possible. However, as most marketplaces are still maturing and operating at a loss, using profitability metrics might not always be possible.

[Acquire.com](#) publishes a bi-annual report on the multiples achieved by companies sold on its platform. It found that the average revenue multiple for marketplace companies was **2.6x**.

The acquisition platform identified a clear trend that impacted the valuation of marketplaces - marketplaces that lack scale are usually valued much lower than other types of companies, but once they reach scale, valuation multiples increase dramatically.

Similarly, [Houlihan Lokey](#) determined that the median revenue multiple for publicly-traded platforms and marketplaces is **3.4x**. The investment bank believes that the valuation decline that started in 2022 is slowly losing steam and it expects multiples to stabilize at current levels for the next several quarters before potentially recovering.



That being said, multiples seen in 2021 seem to have been an outlier brought on by the pandemic and loose monetary policies and valuations are not expected to return to these levels any time soon.

Valuation Analysis - [REDACTED]

The average identified revenue multiple for healthcare technology companies is **3.7x** $((3.24 + 5.6 + 3.1 + 3.2 + 3.3) / 5)$ The average identified revenue multiple for AI startups is **3.8x** $((5 + 2.5) / 2)$, while the average identified revenue multiple for online marketplaces is **2.9x** $((2.7 + 2.6 + 3.4) / 3)$.

[REDACTED] should primarily be valued as a healthcare technology company (60%) with a strong AI component (30%). The marketplace business model (10%) is not a major valuation factor. Therefore, the revenue multiple that should be applied to value [REDACTED] is **3.6x** $(3.7 * 0.6 + 3.8 * 0.3 + 2.4 * 0.1)$

The business model is important when selecting the metric to apply the multiple to. As mentioned previously, Greenwich Capital Group found that revenue multiples should be applied to the gross merchandise value or the gross transaction volume when valuing marketplaces, as this method produces values that are more directly comparable and that do not depend on the different revenue recognition methods employed by specific companies.

[REDACTED] expects to generate a gross transaction volume of [\\$4,140,751](#) in the first year of operations. Applying the calculated multiple to this figure produces a valuation of **\$14.9 million** $(\$4.14 \text{ million} * 3.6)$.

Sources

1. [REDACTED] Investor Deck, 2023
[REDACTED]
2. [REDACTED] Financial Model, 2023
[REDACTED]
3. MedTech & Device Industry Value Focus, Mercer Capital, 2022
<https://mercercapital.com/content/uploads/Medtech-and-Device-22Q4.pdf>
4. Average multiples in HealthTech M&A 2023, Nelson Advisors, 2023
<https://www.linkedin.com/pulse/average-multiples-healthtech-ma-2023-future-next-12-months-price/>
5. Healthcare Valuation Multiples: 2023 Report, FirstPageSage, 2023
<https://firstpagesage.com/business/healthcare-ebitda-valuation-multiples/>
6. Healthcare Industry M&A and Valuation Insights, Peakstone, 2022
https://peakstonegroup.com/wp-content/uploads/2022/11/Peakstone-Industry-Report_Healthcare_2022_Q4.pdf
7. Healthcare Services Sector Update, Kroll, 2022
<https://www.kroll.com/-/media/kroll/pdfs/healthcare-services-ma-update-summer-2022.pdf>
8. Valuations of Generative AI Startups, Telstra Ventures, 2023
<https://inside.com/vc/posts/valuations-of-generative-ai-startup-rise-371696?comment=15984>
9. Robotics & AI: 2023 Valuation Multiples, Finerva, 2023
<https://finerva.com/report/robotics-ai-2023-valuation-multiples/>
10. Healthcare Staffing Sector Update, Capstone, 2023
https://www.capstonepartners.com/wp-content/uploads/2023/04/Capstone-Partners-Healthcare-Staffing-MA-Coverage-Report_April-2023-PDF.pdf
11. Acquire.com Biannual Acquisition Multiples Report, Acquire.com, 2023
<https://blog.acquire.com/acquire-com-biannual-acquisition-multiples-report-feb-2023/>
12. E-Commerce and D2C Market Update, Houlihan Lokey, 2023
<http://cdn.hl.com/pdf/2023/e-commerce-and-d2c-market-update--q1-2023.pdf>
13. E-Commerce Industry Update, Greenwich Capital Group, 2023

<https://greenwichgp.com/wp-content/uploads/2023/08/Q2-2023-E-Commerce-Newsletter.pdf>

Disclosure

The information and material presented are provided for informational purposes only and are not to be used or considered as an offer or a solicitation to sell or an offer or solicitation to buy or subscribe for securities or other financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

In undertaking and executing this valuation, extreme care and precaution has been exercised. This report is based on the information supplied by the company and or the owner/s of the companies. The values may differ or vary periodically due to various unforeseen factors beyond our control such as supply and demand, inflation, variation in costs of various inputs, etc. It is beyond the scope of Fidelman & Company's services to ensure the consistency in values due to changing scenarios.

Fidelman & Company Inc. does not make any representation or warranty or guarantee as to the completeness, accuracy, timeliness or suitability of any part of the information provided or that it is free from error. Fidelman & Company Inc. does not accept any liability (whether in contract, tort or otherwise howsoever and whether or not they have been negligent) for any loss or damage (including, without limitation, loss of profit), which may arise directly or indirectly from use of or reliance on such information. Whilst the information provided has been obtained from sources believed to be reliable, Fidelman & Company Inc. does not attest to its accuracy or completeness.

Fidelman & Company Inc. reserves the right to change any source without restriction or notice. The values quoted for any particular company are indicative only and are subject to change. Past performance should not be taken as an indication or guarantee of future performance and no representation or warranty, express or implied, is made regarding future performance. Opinions and/or estimates reflect a judgment at the original date of publication by us and are subject to change without notice.

It may be difficult to obtain reliable information about a company's value from an independent source and therefore the valuation determined by Fidelman & Company Inc. may not be the precise value at which the company may be sold.

Fidelman & Company Inc. does not accept any responsibility or liability for information provided by third parties. Official confirmation of information accuracy with these parties and issues arising from information they have provided must be addressed directly with them.