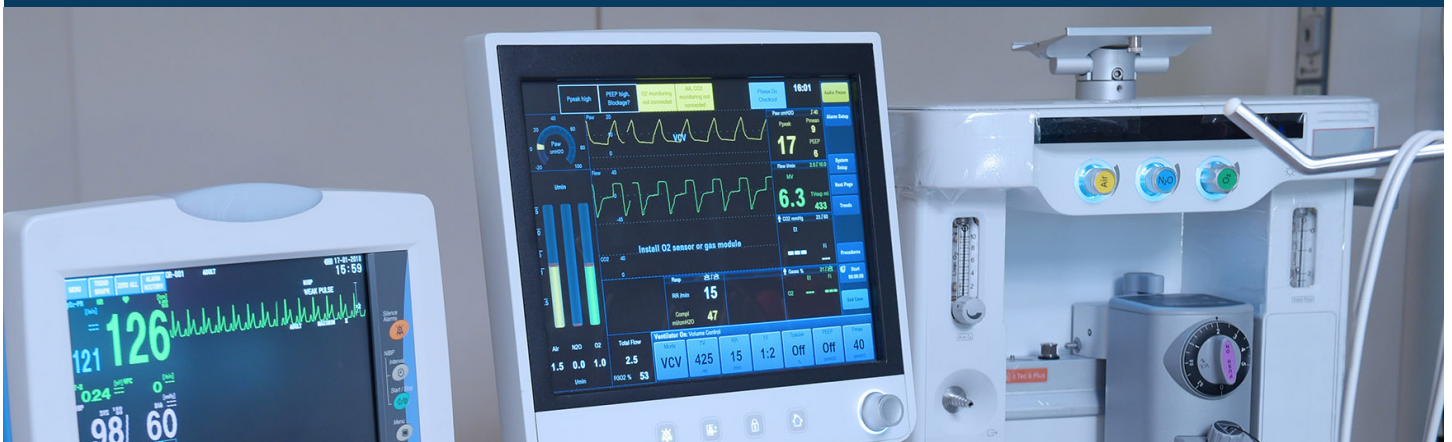


MEDICAL TECHNOLOGY M&A PULSE

SECOND QUARTER 2023



Q2'23

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PMCF Medical Technology Team

ABOUT PMCF

PMCF is an investment bank focused exclusively on middle market transactions with professionals in Chicago, Detroit, Denver, and across the globe through Corporate Finance International™ affiliates. Offering a depth of advisory services, PMCF helps clients worldwide meet their sale, acquisition, financing, and strategic growth objectives. Additional information on PMCF can be found by visiting our website, pmcf.com.

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Medical Technology Industry Expertise

In the medical technology sector, it takes a highly focused approach to execute a transaction efficiently. And it requires the constant monitoring of new procedures, technology and product development, and overall market trends. At PMCF, our Medical Technology team brings this dedication and market knowledge to every transaction. Our transaction expertise in the medical device, bio-pharmaceutical, and healthcare sectors, combined with industry relationships and a proprietary healthcare consulting service offering, afford us a unique perspective in the industry.

Medical Devices	Contract Research	Clinical Services	Therapeutics
Healthcare	Contract Manufacturing	Behavioral Health	Managed Care
Drug Delivery	Bio-Pharmaceutical	Specialty Pharmacy	Specialty Services

SELECT RECENT PMCF MEDICAL TECHNOLOGY TRANSACTIONS



2023 Q2 Market Summary

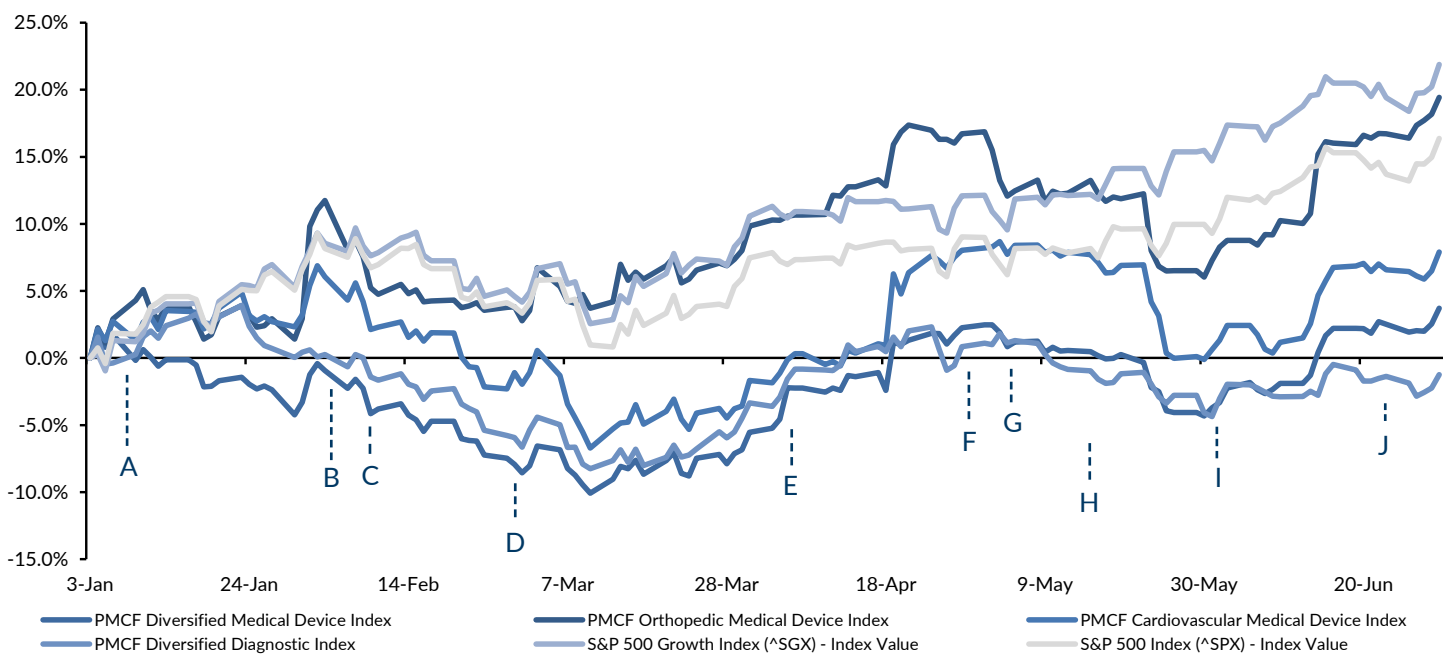
Q2 2023: MISSION "IMPOSSIBLE": A SOFT LANDING

- One year into an unprecedented cycle of interest rate increases, the task of an economic soft landing, once deemed nearly impossible, appears more and more likely. Economists and investors alike doubted the possibility of achieving a soft landing, defined as simultaneously lowering inflation and avoiding a recession. As of the end of Q2 however, inflation appears to be settling while consumers continue to spend, GDP growth persists, and unemployment remains low. This helped drive the Q2 public market rally, bringing the S&P 500 up 16% YTD.
- Q2 2023 Medical M&A lagged modestly compared to 2022 (152 vs. 168 transactions) but exceeded Q1 2023 by 14 announced transactions. Consumables and Disposables was once again the leading segment, with 24% of all transactions. This was closely followed by Service and Therapeutic Devices, each 22% of all volume.
- The second quarter represented a welcome rebound for Medical Device public companies after a slow start to the year. The Orthopedic index remained the top performer, finishing the quarter up 19.4%, slightly below the S&P 500 Growth Index of 21.9%. The Diversified Diagnostic index was the laggard of the group, with YTD performance down 1.3%. Companies will look to continue this momentum in the second half of the year, while hopefully seeing a reprieve from early-year macroeconomic headwinds.

2023 NOTABLE EVENTS TIMELINE

- January 7, 2023 | Kevin McCarthy elected as speaker of the House of Representatives
- February 1, 2023 | PayPal, among other technology companies, announce layoffs
- February 6, 2023 | The U.S. shoots down a Chinese balloon floating in U.S. airspace
- March 12, 2023 | The U.S. Treasury makes funds available to backstop bank deposits following the failure of Silicon Valley Bank and Signature bank
- March 19, 2023 | UBS agrees to buy Credit Suisse for more than \$1B
- April 4, 2023 | Amid the Ukraine War, Finland joins NATO as its 31st member
- May 1, 2023 | First Republic Bank fails and is sold to JP Morgan for more than \$10B
- May 5, 2023 | WHO chief declares end to COVID-19 as a global health emergency
- June 2, 2023 | U.S. suspends the national debt limit through Jan. 1, 2025, narrowly avoiding default
- June 23, 2023 | The Wagner Group stages a 24-hour, armed revolt in Russia

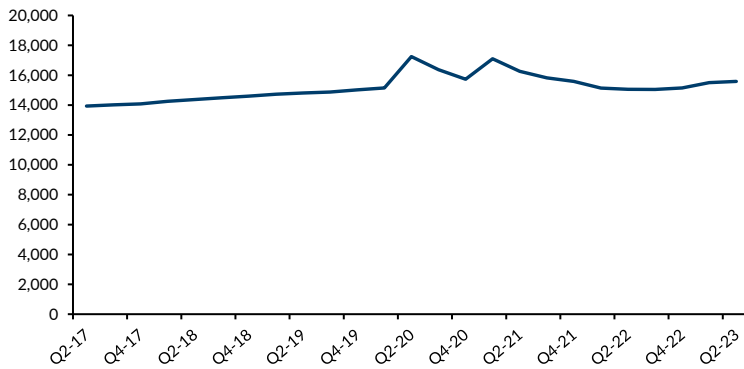
PMCF MEDICAL TECHNOLOGY INDICES PERFORMANCE



Sources: Capital IQ, PitchBook, Company Reports, Fraser

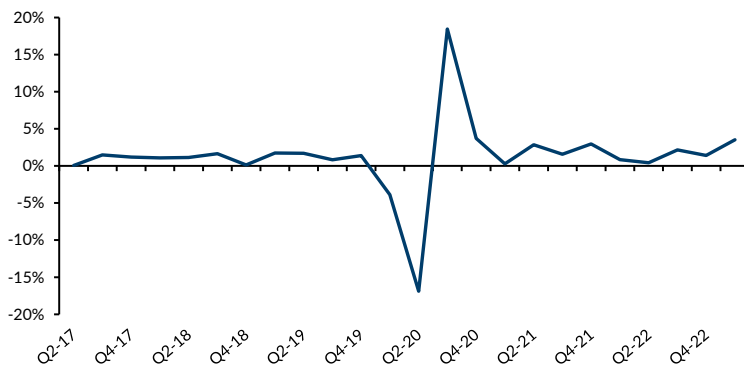
Trends in Medical Technology

U.S. REAL DISPOSABLE PERSONAL INCOME, 2012 DOLLARS (\$B)



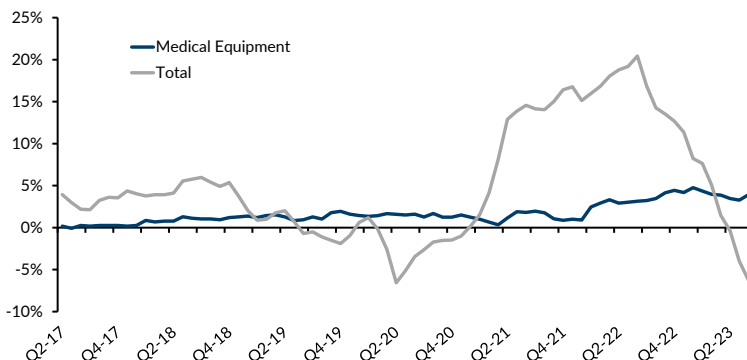
- Real disposable personal income refers to the amount U.S. residents have left to spend after paying taxes, adjusted for inflation. It has historically been relatively stable and increasing.
- For various segments of the healthcare industry, spending on healthcare is correlated with disposable income, making it a valuable macroeconomic indicator. Second quarter total disposable income was \$15.6B, up 3.5% from the year prior.

U.S. PERSONAL HEALTH CARE SERVICES EXPENDITURES (YEAR OVER YEAR % CHANGE)



- Personal Health Care Service expenditures serve as a proxy for activity in the broader Healthcare and Medical industries, with high levels of service expenditures correlated with strong performance in other sectors.
- Health care service expenditures continue to grow steadily, following the large swings during the COVID-19 pandemic. Total expenditures in Q2 were up 3.9% over the same period in 2022.

PRODUCER PRICE INDEX (PPI) - YEAR OVER YEAR % CHANGE



- Similar to the broader U.S. economy, medical equipment producer costs have risen dramatically coming out of the pandemic. The Bureau of Labor Statistics provides a Producer Price Index (PPI), which measures the average change in selling price of domestic output. The Medical Equipment & Supply PPI value serves as a proxy for Medical industry costs.
- The PPI index is down 6.3% over the past year, while Medical Equipment is up 3.9%.

Sources: PMCF Research, FRED, US Census Bureau, IBIS

Medical Technology M&A Activity

Medical Equipment

Carlyle acquires Meopta Optika

May 2023 – Carlyle announced the acquisition of Meopta Optika (“Meopta”). Meopta is a developer and manufacturer of high-precision handheld optical, opto-medical, and opto-electronic solutions. These solutions include digital cinematic projectors, aerospace technologies, military weapon systems and consumer sports optics. Carlyle will seek to expand Meopta’s advanced built-to-spec products through an increased focus on R&D. Friedel Drees, Managing Director of Carlyle Europe Partners, said, “In Meopta, we identified an attractive primary opportunity to invest in a high quality and differentiated business. As well as its unique vertically integrated production process, it offers world-class expertise in the design, manufacturing, assembly and testing of optical components and systems, and is well-positioned to benefit from strong secular tailwinds and increasing demand for its specialist products across its varied range of end markets.” Total deal consideration is \$764M.

Therapeutic Device

Merit Medical (NAS: MMSI) acquires certain assets of AngioDynamics (NAS: ANGO)

June 2023 – Merit Medical (“Merit”) acquired the BioSentry and Dialysis portfolio of AngioDynamics. The sale included AngrioDyanics DuraFlow, DuraMax, Evenmore, Schon XL, Trio-CT, and Vaxex Plus, and the BioSentry brands. Merit, a developer and manufacturer of medical products, is investing in expanding their product portfolio within the dialysis and biopsy markets. Fred Lampropoulos, Merit’s Chairman and CEO commented “These acquisitions strengthen our position in the dialysis and biopsy markets, and expand the foundation of our growing specialty dialysis device offering.” He continued to say, “Combining this broad portfolio of interventional solutions within Merit will allow us to leverage our physician relationships and commercial infrastructure to serve more patients in the multi-billion dialysis market.” The transaction closed during the second quarter of 2023 for \$100M.

Consumable & Disposable

Grunet Point Capital & Novo Holdings A/S acquires Paratek Pharmaceuticals (NAS: PRTK)

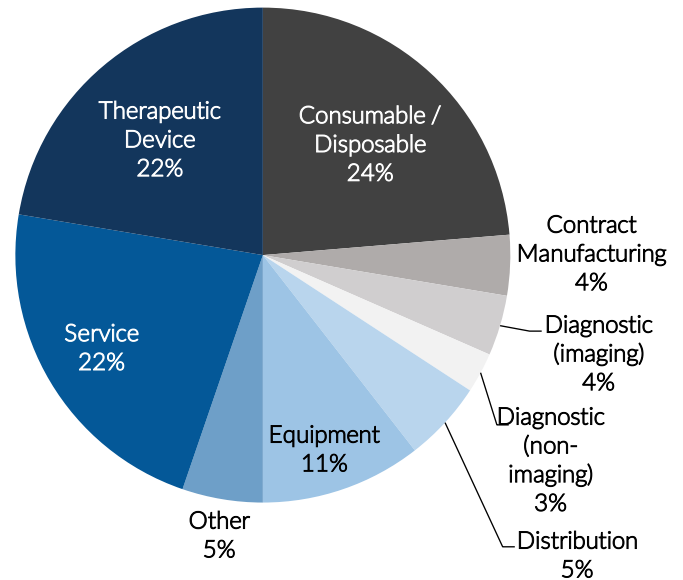
June 2023 – Grunet Point Capital (“Grunet Point”) and Novo Holdings A/S (“Novo”) announced the acquisition of Paratek Pharmaceuticals (“Paratek”). Paratek is a publicly traded, U.S. company specializing in novel biopharmaceutical therapies for life-threatening diseases and public health threats. Grunet Point is a leading healthcare investment company with \$1.5B under management. Grunet Point and Novo see the opportunity to fuel growth of Paratek’s drug NUZYRA and drive continued innovation in novel therapies. Stacey Seltzer, Partner at Grunet Point, stated, “We see an attractive opportunity to invest in and accelerate the commercialization of NUZYRA and to build a portfolio of additional value-creating assets to address significant unmet medical needs.” She further commented, “Antimicrobial resistance (AMR) is a critical public health threat that claims the lives of more than 1.2 million people globally per year.” The total transaction consideration is \$462M.

M&A Activity Roundup

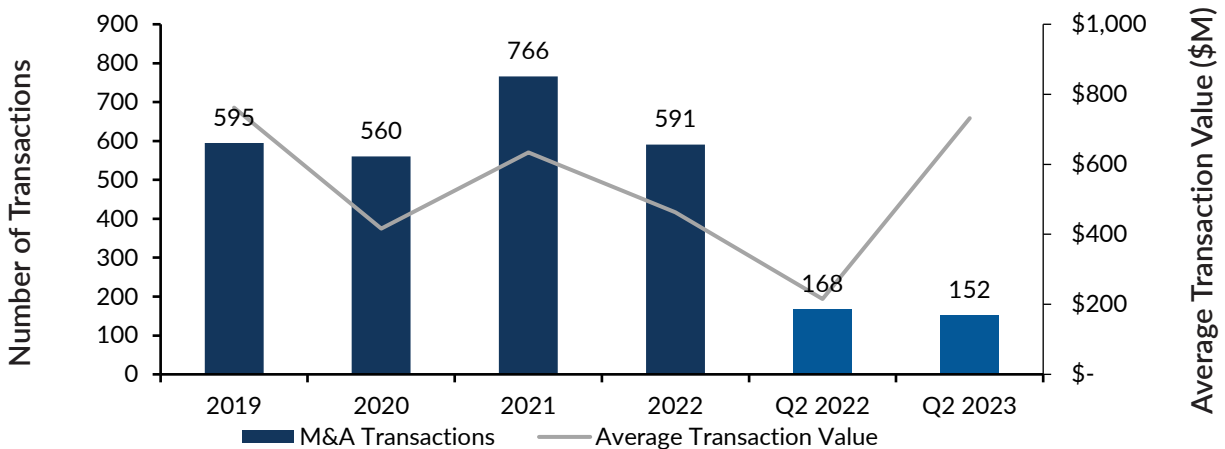
TRENDS IN MEDICAL TECHNOLOGY M&A

- Medical Technology M&A saw slightly lower volume in Q2 compared to 2022. The second quarter had 152 announced transactions, a modest increase over the first quarter.
- The Consumable / Disposable, Therapeutic Device, and Service segments saw similar volumes during the second quarter as during the year prior. Trailing behind the three most active segments is the Equipment with 11% of all announced Q2 transactions, in-line with its share during the prior quarter but lower than its portion of 2022.
- Of the Q2 2023 transactions with disclosed EVs and EBITDA values, median TEV / EBITDA multiples were down from the year prior (8.6x vs. 17.0x). As previously discussed, this is a natural consequence of a higher interest rate environment, as acquirers cost to borrow increases leading firms to become more stringent with capital.

TRANSACTIONS BY PRODUCT SEGMENT - Q2 2023



MEDICAL DEVICE M&A TRANSACTION METRICS



Period	Mean/Median	Transaction Value (\$MM)	TEV/REV	TEV/EBITDA
2023 Q2	Mean	\$732.0	2.1x	12.0x
2023 Q2	Median	\$45.1	1.4x	8.6x
2022 Q2	Mean	\$215.1	11.9x	16.0x
2022 Q2	Median	\$33.6	2.6x	17.0x
2022	Mean	\$463.0	10.0x	27.0x
2022	Median	\$29.7	2.4x	15.7x
2021	Mean	\$634.0	6.1x	17.6x
2021	Median	\$60.7	3.7x	14.5x
2020	Mean	\$416.7	5.3x	30.5x
2020	Median	\$24.3	2.4x	13.6x

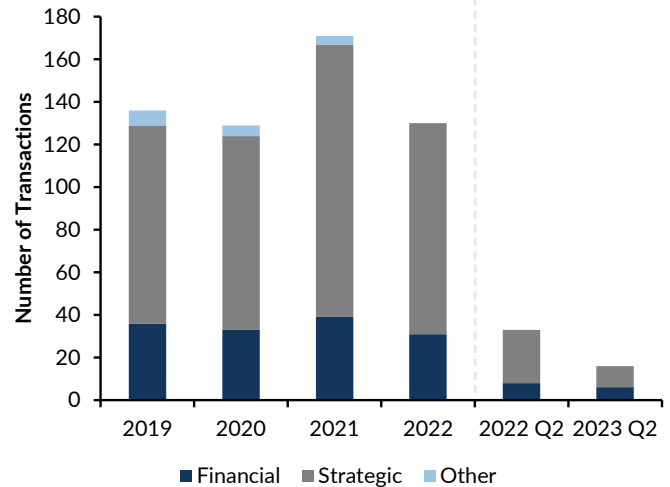
Sources: Capital IQ, PitchBook, Company Reports, PMCF

Medical Equipment M&A

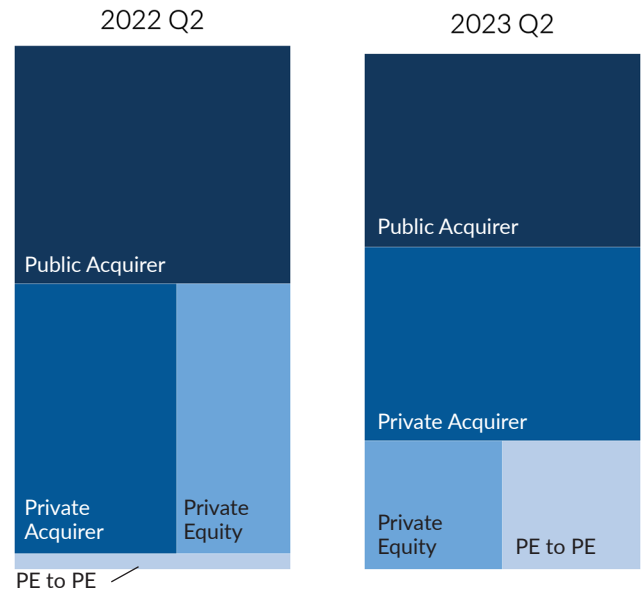
TRENDS IN MEDICAL EQUIPMENT M&A

- Medical Equipment M&A volume in the second quarter of 2023 was lower compared to the same period last year and to the first quarter of 2023. Strategic acquirers continued to be the most active in the space, with 10 of the total 16 announced transactions.
- Private and public acquirers were similarly active during the first quarter, each announcing 6 transactions. Compared to a year ago, private equity activity decelerated their rate of acquisitions with 4 transactions vs. the 8 transactions in the second quarter of 2022.
- International-only acquisitions continue to set the pace in the Equipment space, with 11 transactions, only two less than the year prior. U.S. focused activity broadly experienced a slower transacting environment, with decreases in all U.S. related categories.
- In line with the prior quarter, Furniture/Equipment was the leading end market within the Medical Equipment category. Ortho followed behind as the next most active market in the subsector, however only modestly as transactions were largely diversified.

FINANCIAL VS. STRATEGIC BUYER MEDICAL EQUIPMENT



MEDICAL EQUIPMENT TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

End Market	2020	2021	2022	'22 Q2	'23 Q2
Acute Care	4	2	-	-	-
Aesthetic	-	1	3	1	-
Cardiovascular	3	4	5	1	-
Drug Delivery	5	8	1	-	1
Furniture/Equipment	25	37	28	5	6
Home Health	9	11	8	4	1
Hospital Care	21	19	13	1	1
Infection Control	1	2	3	2	-
IVD	1	6	3	1	-
Monitor	12	16	15	3	1
Neurovascular	2	2	-	-	-
Ophthalmology	6	8	5	-	1
Ortho	-	6	8	3	2
Other	11	10	5	1	1
Respiratory	6	12	6	2	-
Support	6	11	10	5	1
Surgical	17	16	17	4	1
Total	129	171	130	33	16

CROSS BORDER TRANSACTION TRENDS

Seller-to-Buyer	2020	2021	2022	'22 Q2	'23 Q2
Int'l-to-Int'l	57	62	62	13	11
U.S.-to-Int'l	12	16	12	5	1
U.S.-to-U.S.	46	76	43	9	3
Int'l-to-U.S.	14	17	13	6	1
Total	129	171	130	33	16

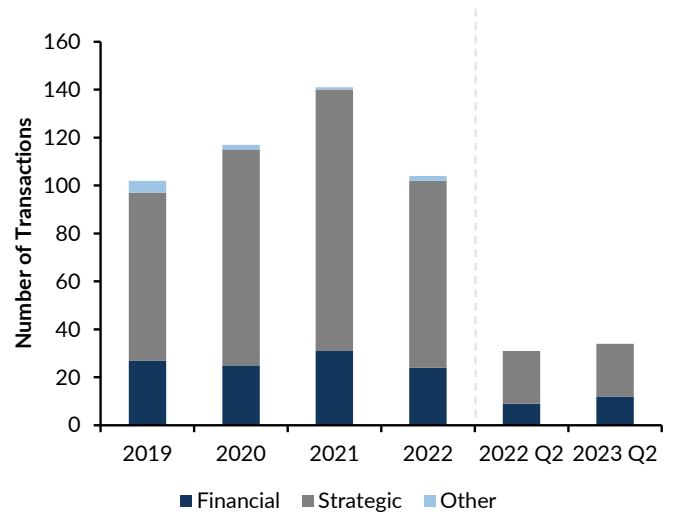
Sources: Capital IQ, PitchBook, Company Reports, PMCF

Therapeutic Device M&A

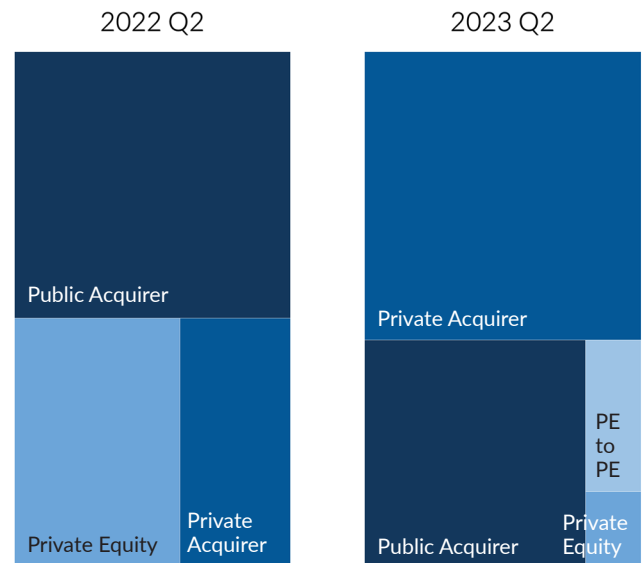
TRENDS IN THERAPEUTIC DEVICE M&A

- Therapeutic Device M&A bounced back from lower volume to start the year exceeding by 2022's second quarter activity. 34 total Therapeutic Device transactions were announced, well above the trailing three-quarter average of 23.
- Private acquirers led the Therapeutic Device space and announced 19 total transactions, 11 more than the quarter prior. This activity represents a pivot from the year prior, which saw public acquisitions lead the way. Private equity groups were quiet once again, involved in only 3 transactions, 6 less than during the same period last year.
- Ortho focused transactions were the most active, with 8 announced. The quarter also had a relatively high number of Surgical transactions, more so than in prior quarters. Outside of these two end markets, transactions were widely distributed across the sector.
- Regardless of overall M&A activity, the trend of international to international and U.S. to U.S. transactions persists, comprising over 80% of total quarter volume.

FINANCIAL VS. STRATEGIC BUYER THERAPEUTIC DEVICE



THERAPEUTIC DEVICE TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

End Market	2020	2021	2022	'22 Q2	'23 Q2
Acute Care	3	3	3	-	-
Aesthetic	-	1	3	1	2
Cardiovascular	10	18	9	3	3
Drug Delivery	2	-	3	2	2
Furniture/Equipment	3	2	1	-	-
Home Health	5	7	1	-	1
Hospital Care	-	1	1	-	1
Infection Control	-	2	-	-	-
IVD	1	1	-	-	1
Monitor	2	-	1	-	1
Neurovascular	1	4	10	5	1
Ophthalmology	7	15	20	6	1
Ortho	37	28	18	4	8
Other	36	45	23	9	4
Respiratory	3	8	3	-	2
Support	2	5	2	1	-
Surgical	5	1	6	-	7
Total	117	141	104	31	34

CROSS BORDER TRANSACTION TRENDS

Seller-to-Buyer	2020	2021	2022	'22 Q2	'23 Q2
Int'l-to-Int'l	47	61	45	17	12
U.S.-to-Int'l	10	10	8	1	4
U.S.-to-U.S.	46	59	38	11	16
Int'l-to-U.S.	14	11	13	2	2
Total	117	141	104	31	34

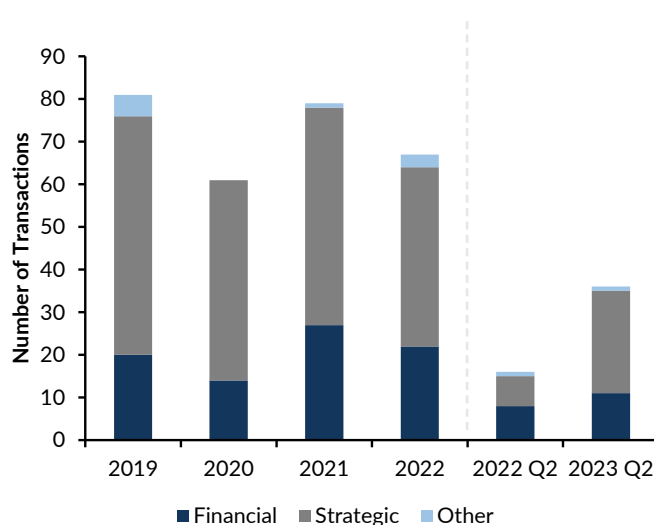
Sources: Capital IQ, PitchBook, Company Reports, PMCF

Consumable & Disposable M&A

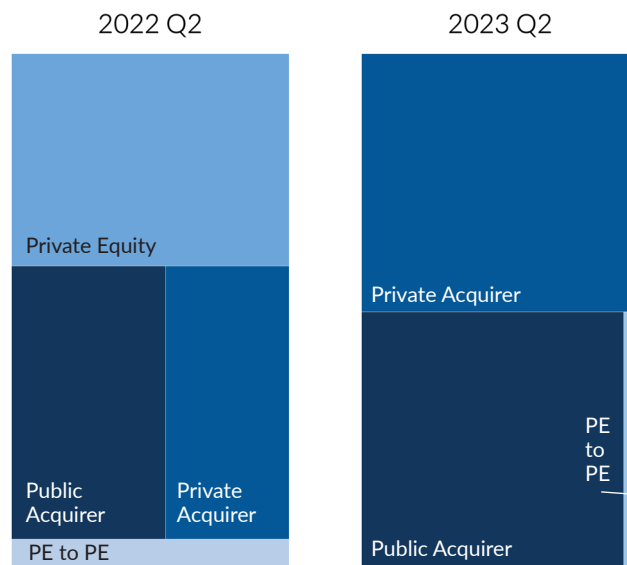
TRENDS IN CONSUMABLE & DISPOSABLE M&A

- Consumable & Disposable M&A continued its resiliency with 36 total transactions announced, twice as many as in Q2 2022. This marks the third quarter in a row where quarterly M&A volume has exceeded 30 transactions. Strategic acquirers have stepped up to drive this trend.
- Public acquirers and private acquirers shared the sector volume, announcing 18 and 17 transactions respectively. Private equity groups largely sat this quarter out and were only involved in a single transaction.
- Consumable & Disposable sector activity came in similar proportions as in Q2 of 2022 in terms of geographic trends. Purely domestic transaction activity remained near 35%, while international transactions were more than 50%.
- Support based transactions led the way among end markets, alongside transactions that fall into the Other category. Infection Control continues to see increased activity, despite the declaration of the official end of the Covid-19 pandemic. Hospital Care was again active, with 4 transactions, matching the quarter prior.

FINANCIAL VS. STRATEGIC BUYER CONSUMABLE & DISP.



CONSUMABLE & DISP. TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY END MARKET

End Market	2020	2021	2022	'22 Q2	'23 Q2
Acute Care	8	9	1	-	2
Aesthetic	-	1	3	2	-
Cardiovascular	-	-	1	-	1
Drug Delivery	8	4	3	-	2
Furniture/Equipment	-	1	-	-	-
Home Health	2	2	1	-	1
Hospital Care	6	14	-	-	4
Infection Control	18	27	21	6	4
IVD	1	3	3	1	-
Monitor	-	1	-	-	-
Neurovascular	-	-	1	-	1
Ophthalmology	1	1	3	-	1
Ortho	1	-	3	1	-
Other	11	4	7	1	8
Respiratory	2	-	1	-	1
Support	3	6	9	4	8
Surgical	-	6	11	2	3
Total	61	79	68	17	36

CROSS BORDER TRANSACTION TRENDS

Seller-to-Buyer	2020	2021	2022	'22 Q2	'23 Q2
Int'l-to-Int'l	35	41	39	10	18
U.S.-to-Int'l	4	8	5	1	2
U.S.-to-U.S.	21	23	20	6	13
Int'l-to-U.S.	1	7	4	-	3
Total	61	79	68	17	36

Sources: Capital IQ, PitchBook, Company Reports, PMCF

Diversified Medical Device Public Comparables

PUBLIC DIVERSIFIED MEDICAL DEVICE COMPANY COMMENTARY

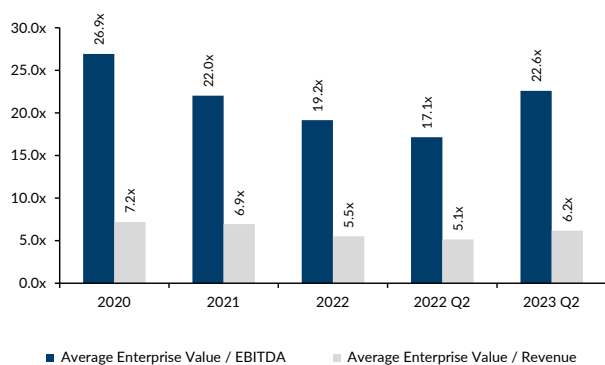
- “We continue to anticipate stable procedure volumes and health care staffing levels in the back half of the year with normal seasonality... Headwinds from volume-based procurement in China as well as potential impacts from international sanctions in Russia are expected to be higher in the second half than the first half of the year.” – Joseph Wolk, Johnson & Johnson Executive VP & CFO
- “Overall, we are continuing to see sustained recovery in hospital admissions and procedural volumes as well as in alternate sites of care.... The more stable inflationary environment is also contributing to an improved macroeconomic backdrop, further helping to steady our operational performance..” – Jose Almeida, Baxter Intl Inc. Chairman, President & CEO

DIVERSIFIED MEDICAL DEVICE PUBLIC COMPARABLES SUMMARY

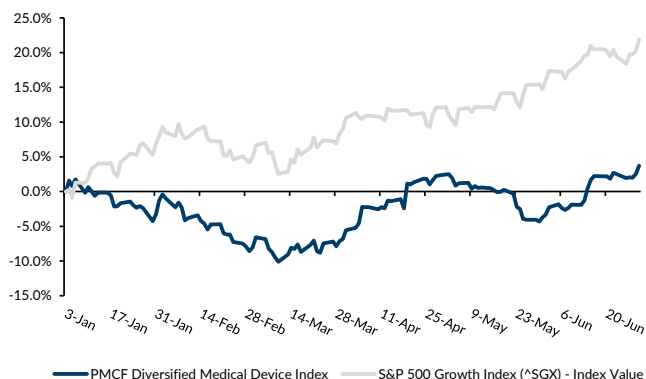
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Abbott Laboratories	6/30/2023	8,155	16,988	189,580	198,643	4.8x	17.8x	33.2x
Baxter International Inc.	6/30/2023	1,722	16,921	23,047	38,308	2.5x	11.7x	NM
Becton, Dickinson and Company	6/30/2023	931	16,782	74,983	90,834	4.8x	18.5x	48.6x
Boston Scientific Corporation	6/30/2023	426	9,454	77,765	87,052	6.7x	25.7x	91.6x
Intuitive Surgical, Inc.	6/30/2023	5,799	0	119,815	114,097	17.9x	58.4x	93.7x
Johnson & Johnson	4/2/2023	24,613	52,907	430,142	458,436	4.8x	13.6x	34.5x
Medtronic plc	4/28/2023	7,959	25,413	117,209	134,845	4.3x	15.6x	31.2x
Smith & Nephew plc	4/1/2023	190	3,040	14,054	16,904	3.0x	15.4x	59.9x
Stryker Corporation	6/30/2023	1,478	13,435	115,815	127,772	6.7x	26.6x	44.4x
High		24,613	52,907	430,142	458,436	17.9x	58.4x	93.7x
Mean		5,697	17,216	129,157	140,766	6.2x	22.6x	54.6x
Median		1,722	16,782	115,815	114,097	4.8x	17.8x	46.5x
Low		190	0	14,054	16,904	2.5x	11.7x	31.2x

As of June 30, 2023

DIVERSIFIED MEDICAL DEVICE MULTIPLES



DIVERSIFIED MEDICAL DEVICE INDEX



EV/EBITDA multiples for the Diversified Medical Device (“DMD”) sector were up in Q2 2023, compared to the same quarter in 2022 (22.6x vs. 17.1x). Revenue multiples were higher as well, 6.2x vs. 5.1x, exceeding year end 2022 multiples as well (5.5x). Intuitive Surgical continues to be the index leader, trading at 58.4 times EBITDA. Stryker and Boston Scientific followed in a far second and third place once again.

The DMD index recovered along with the rest of the market during Q2, but still lags behind the S&P 500 Growth Index, finishing up 3.7% YTD. This represents nearly a 15% rally from the index’s 2023 low on March 10.

Sources: Capital IQ, PitchBook, Company Reports, PMCF

Orthopedic Public Comparables

PUBLIC ORTHOPEDIC MEDICAL DEVICE COMPANY COMMENTARY

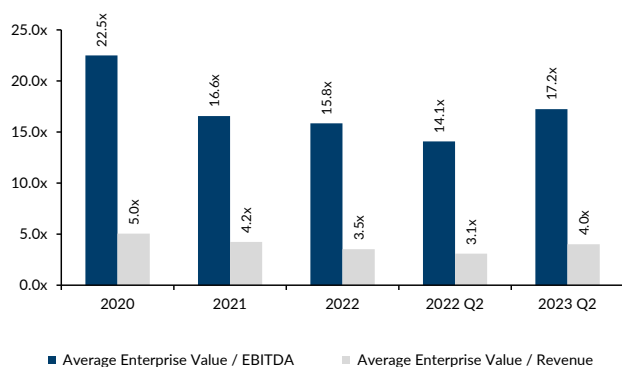
- “We continue to accelerate the company through M&A and have demonstrated strong execution of recent deals. We have a robust funnel and we’ll continue to look for opportunities to further shape the organization in line with our strategic goals.” – Phillip Berry, Enovis Corporation Senior VP & CFO
- “We have the world’s first and only Smart Knee which is Persona iQ...it offers surgeons unparalleled data access and is attractive to patients, those patients who want more direct engagement with their care recovery. And we’re taking on a similar approach to our hip portfolio where we continue to launch meaningful innovation.” – Bryan Hanson, Zimmer Biomet Holdings, Inc. Chairman, President & CEO

ORTHOPEDIC MEDICAL DEVICE PUBLIC COMPARABLES SUMMARY

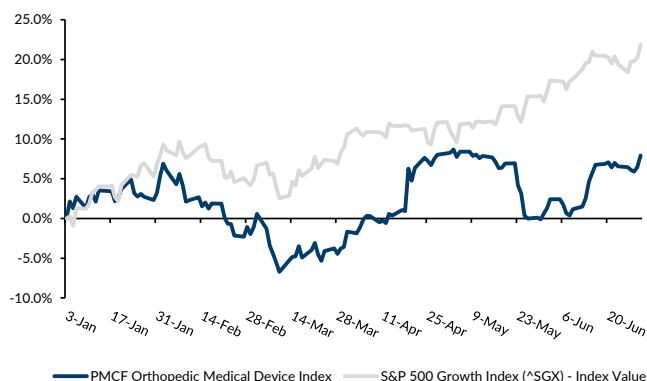
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Alphatec Holdings, Inc.	6/30/2023	101	488	2,131	2,541	6.4x	NM	NM
Enovis Corporation	6/30/2023	32	470	3,494	3,934	2.4x	17.4x	NM
Globus Medical, Inc.	6/30/2023	613	0	5,974	5,361	4.7x	15.8x	30.4x
NuVasive, Inc.	6/30/2023	81	908	2,181	3,008	2.5x	13.2x	108.9x
Orthofix Medical Inc.	6/30/2023	38	92	660	714	1.3x	NM	NM
Smith & Nephew plc	4/1/2023	190	3,040	14,054	16,904	3.0x	15.4x	59.9x
Stryker Corporation	6/30/2023	1,478	13,435	115,815	127,772	6.7x	26.6x	44.4x
Zimmer Biomet Holdings, Inc.	6/30/2023	320	5,918	30,400	36,004	5.1x	15.0x	68.0x
High		1,478	13,435	115,815	127,772	6.7x	26.6x	108.9x
Mean		357	3,044	21,839	24,530	4.0x	17.2x	62.3x
Median		146	698	4,734	4,647	3.9x	15.6x	59.9x
Low		32	0	660	714	1.3x	13.2x	30.4x

As of June 30, 2023

ORTHOPEDIC MEDICAL DEVICE MULTIPLES



ORTHOPEDIC MEDICAL DEVICE INDEX



Orthopedic Medical Device multiples increased once again, up roughly 3x from the same quarter in 2022 on an EBITDA basis. Stryker (26.6x EBITDA) continues to trade at a premium multiple relative to the rest of the index, which has a median of 15.6x. As in recent previous periods, cash reserves across the index remain low and will continue to be an area to focus throughout 2023. Of particular note is Enovis with a cash balance of \$32M against \$448M in debt obligations, and NuVasive with \$81M in cash against \$908M in debt.

Following the OMD index’s strong Q1, OMD companies continued their upward trajectory, finishing the first half of the year up nearly 20%, broadly in-line with the S&P 500 Growth Index. Once again, the OMD index was the best performer of those tracked by PMCF.

Cardiovascular Public Comparables

PUBLIC CARDIOVASCULAR MEDICAL DEVICE COMPANY COMMENTARY

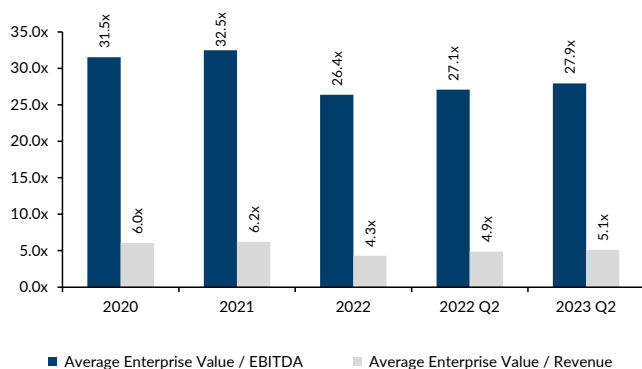
- “Gross margin expansion has proved challenging. Coming out of the COVID global pandemic, we’ve been impacted by the tight labor market, which has not fully rebounded. In addition, our Med Device businesses contain a wide and varied product offering that leaves us under scale and it makes us susceptible to inflationary pressures limiting our ability to drive efficiencies.”– Stephen Trowbridge, Executive VP & CFO of AngioDynamics, Inc.
- “They [global supply chains] are still a bit fragile, but they’re in a lot better spot. We’re supplying demand. We’re now shipping down and eating away at our back orders. It feels a lot better.” – Geoffrey Martha, Medtronic plc Chairman of the Board & CEO

CARDIOVASCULAR MEDICAL DEVICE PUBLIC COMPARABLES SUMMARY

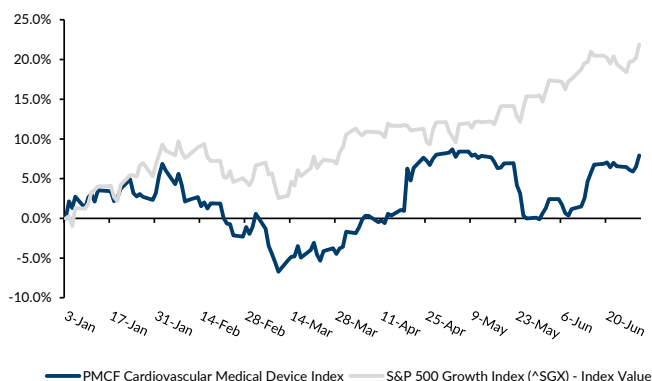
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Abbott Laboratories	6/30/2023	8,155	16,988	189,580	198,643	4.8x	17.8x	33.2x
AngioDynamics, Inc.	5/31/2023	45	55	409	420	1.3x	47.4x	NM
Artivion, Inc.	6/30/2023	49	356	703	1,010	3.2x	37.0x	NM
Edwards Lifesciences Corporation	6/30/2023	1,509	685	57,185	56,431	10.3x	29.4x	39.1x
LeMaitre Vascular, Inc.	6/30/2023	90	17	1,491	1,417	8.4x	33.6x	72.3x
Medtronic plc	4/28/2023	7,959	25,413	117,209	134,845	4.3x	15.6x	31.2x
Merit Medical Systems, Inc.	6/30/2023	72	407	4,809	5,144	4.3x	24.5x	56.9x
Terumo Corporation	6/30/2023	1,239	1,583	23,495	23,839	4.2x	18.3x	38.4x
High		8,155	25,413	189,580	198,643	10.3x	47.4x	72.3x
Mean		2,390	5,688	49,360	52,718	5.1x	27.9x	45.2x
Median		665	546	14,152	14,491	4.3x	26.9x	38.7x
Low		45	17	409	420	1.3x	15.6x	31.2x

As of June 30, 2023

CARDIOVASCULAR MEDICAL DEVICE MULTIPLES



CARDIOVASCULAR MEDICAL DEVICE INDEX



Cardiovascular Medical Devices EBITDA and revenue multiples finished Q2 2023 at 26.1x and 5.1x. While this was down slightly from 2022 year end on an EBITDA basis (0.3x), it was a notable increase in terms of revenue multiples (up 0.8x). Generally these multiples move in unison, so this dynamic will be one to monitor going forward. AngioDynamics continues to retain the premium EBITDA multiple in the sector, followed LeMaitre. Edwards Lifesciences again had the highest revenue multiple, finishing at 10.3x, slightly higher than the beginning of the quarter.

The CMD index rebounded from a dreary Q1, rallying 15% from its 2023 low, ultimately finishing up 7.9%. Like in Q1, it was again the second-best performer of the four medical device indices tracked by PMCF.

Sources: Capital IQ, PitchBook, Company Reports, PMCF

Diversified Diagnostic Public Comparables

PUBLIC DIVERSIFIED DIAGNOSTIC COMPANY COMMENTARY

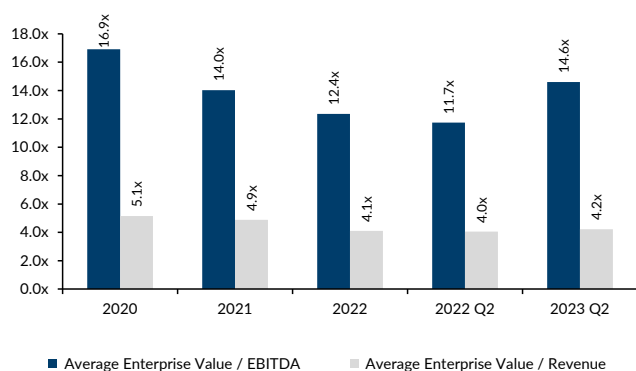
- “This strong performance [in established pharmaceuticals] was led by growth across several markets, including India and China; and therapeutic areas, including gastroenterology, women’s health and CNS pain management. This business continues to execute at a high level and capitalize on the favorable demographic and socioeconomic trends in emerging markets.” – Robert Ford, Abbott Laboratories Chairman of the Board, President & CEO
- “Today, our customers face the challenge of navigating this new [post-COVID] operating environment. They seek vendors who can help them operate as efficiently as possible. For labs and hospitals, pressures from inflation and labor shortages remain despite recent improvement.” – Stephen MacMillan, Hologic, Inc. Chairman, CEO & President

DIVERSIFIED DIAGNOSTIC PUBLIC COMPARABLES SUMMARY

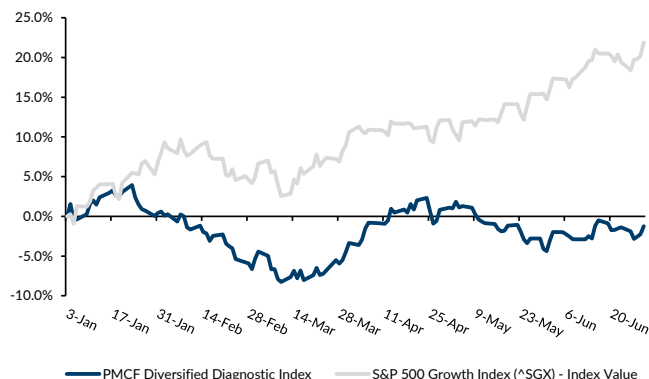
Company Name	LTM as of	Cash (\$MM)	Debt (\$MM)	Market Cap (\$MM)	TEV (\$MM)	TEV/REV	TEV/EBITDA	P/E
Abbott Laboratories	6/30/2023	8,155	16,988	189,580	198,643	4.8x	17.8x	33.2x
Becton, Dickinson and Co.	6/30/2023	931	16,782	74,983	90,834	4.8x	18.5x	48.6x
Danaher Corporation	6/30/2023	8,575	20,975	177,096	189,504	6.2x	17.7x	25.8x
Hologic, Inc.	4/1/2023	2,609	2,844	19,928	20,163	5.0x	15.0x	27.0x
Laboratory Corporation of America	6/30/2023	1,931	6,289	21,382	25,760	1.9x	10.6x	21.8x
Novartis AG	6/30/2023	11,072	28,340	210,944	228,296	4.3x	11.9x	30.4x
Quest Diagnostics Incorporated	6/30/2023	126	4,959	15,744	20,692	2.1x	9.4x	20.7x
Roche Holding AG	6/30/2023	8,391	29,663	246,654	272,204	3.6x	9.7x	17.8x
Thermo Fisher Scientific Inc.	4/1/2023	3,482	35,336	201,250	233,280	5.3x	21.0x	34.0x
High		11,072	35,336	246,654	272,204	6.2x	21.0x	48.6x
Mean		5,030	18,020	128,618	142,153	4.2x	14.6x	28.8x
Median		3,482	16,988	177,096	189,504	4.8x	15.0x	27.0x
Low		126	2,844	15,744	20,163	1.9x	9.4x	17.8x

As of June 30, 2023

DIVERSIFIED DIAGNOSTIC MULTIPLES



DIVERSIFIED DIAGNOSTIC INDEX



EV/EBITDA multiples within the Diversified Diagnostic (“DD”) industry closed the quarter 9% higher than a year ago. Performance across the group remains mostly flat, with EBITDA and Revenue multiples remaining at a similar level as at the end of Q1. Thermo Fisher, Danaher, Becton, Dickinson and Co., and Abbott Laboratories continue to lead the index in terms of valuation premiums.

The DD Index was the only PMCF tracked index with negative performance YTD performance line, finishing the first half of the year down 1.3%. On the positive side, Q2 lacked volatility, with the index never deviating from its finish point more than 5% during the quarter.

2023 Venture Capital Activity Overview

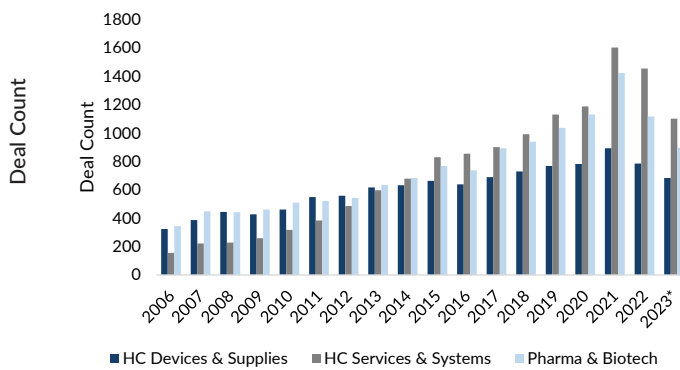
The second quarter of 2023 marks the fifth quarter of the new higher interest rate regime brought upon by the Federal Reserve. The current federal funds target rate is 5.25% - 5.50%, a level not seen since the '06-'07 period. Market participants are learning to adapt to this new environment by resetting valuation expectations and strengthening existing financial positions. That said, while it may feel like a hunkering down for many startups and investors that launched during the near 0% interest era, the VC market remains highly active historically speaking. YTD 2023 deal count remains below the 2021 and 2022 periods, but in-line with the pre-Covid periods. Unsurprisingly, median pre-money valuations are broadly lower, particularly early- and late-stage VC values, which are 20% lower than 2022. This path is likely to persist if we remain in the current interest rate environment, as capital for higher risk investing is both more limited and more expensive.

While the second quarter witnessed a rebound in the public markets, which often helps with overall investor sentiment, fundraising, deals, and exits continued to lag their benchmarks when compared to the historically robust 2021 and 2022 years. There has been a modest shift in deal activity from angel and seed VC to late-stage VC, as investors manage the relative risks between the two categories. In the YTD period, angel and seed VC was only 34% of all deal activity, a minority position not seen since prior to 2011.

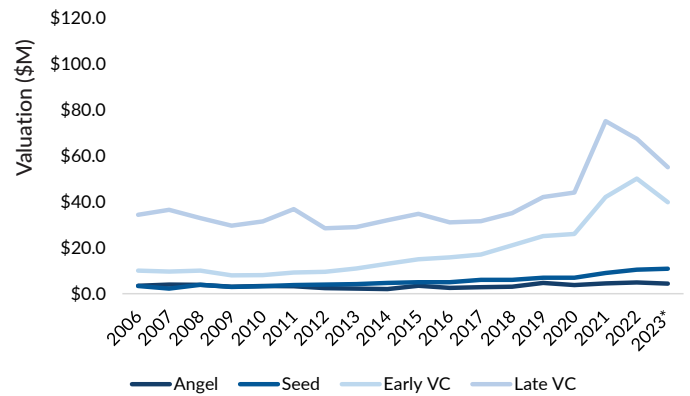
All subsectors experienced relative declines in volume when compared to 2022. The three healthcare industry subsectors fared similar to the market at large, with HC Devices and Supplies performing the best on a relative basis, with activity down 13% vs. the industry average of 25%.

Although challenges may seem numerous in the VC world at the moment, difficult times can often generate an environment of increased innovation and creativity. The recent developments in AI are expected to deliver tremendous opportunity and efficiency improvements across all sectors of the economy, with its impact on healthcare and medical devices one we will monitor closely going forward.

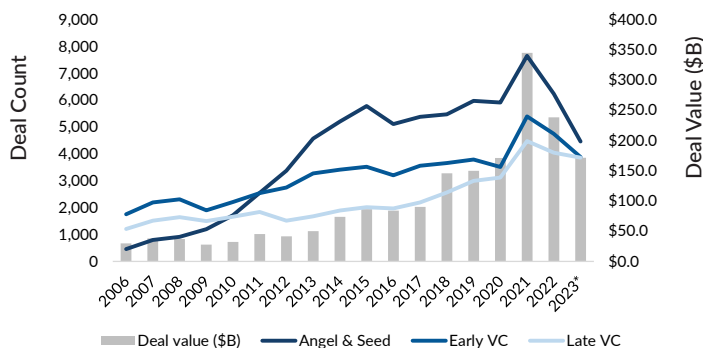
VC INVESTMENTS IN MEDICAL SECTORS



MEDIAN PRE-MONEY VALUATION BY ROUND



DEAL COUNT BY ROUND



Angel/Seed: The company has a concept or product under development, but is likely not fully operational. Typically in existence less than 18 months.

Early: The company has a product or service in testing or pilot production. In some cases, the product may be commercially available. May or may not be generating revenues. Typically in business less than three years.

Later: Product or service is widely available. Company is generating ongoing revenue; potentially positive cash flow. More likely to be, but not necessarily, profitable.

Sources: Capital IQ, PitchBook, NVCA, PMCF

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- Unique sale planning approach that helps shareholders best prepare for a future sale whether its six months or several years
- Long-term and client first approach allows PMCF to provide unbiased advice



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