

# MIDDLE EAST HEALTHTECH ECOSYSTEM KEY TRENDS

THIRD QUARTER 2020

- Funding
- Pipeline maturity
- Category focus
- Therapeutic priority
- Noteworthy deals, partnerships & investors



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## JULIEN DE SALABERRY

CEO & Founder  
Galen Growth

We are delighted to share with you our first Middle East HealthTech ecosystems focused report, adding to our much sought-after go-to-reference reportage on key digital health ecosystems across the globe. Each one is rich in trends and insights that are essential to investors, corporations and digital health ventures.

As at Q3 2020 YTD, digital health venture capital cumulative funding in this region closed at \$458 M, a small but welcome increase of 3.6% compared to total funding in the same period in 2019. This excludes all M&A and IPO deal activities.

Average deal size increased by 35% from \$10.1 M in Q2 2020 to \$13.7 M in Q3 2020, and increased by 41% compared to \$9.7 M in Q3 2019.

In addition to funding trends, this report also focuses on venture pipeline maturity, category focus, therapeutic priorities and noteworthy deals, exits, partnerships and investors.

Based on our analysis, we conclude that most of the analysis of these ecosystem has been inadequate due to inconsistent taxonomy and fragmentation.

With unmatched, unparalleled and indispensable coverage of the global digital health ecosystems, this report is powered by HealthTech Alpha, a Galen Growth proprietary solution, and the world's leading on-demand digital health intelligence platform.

# MIDDLE EAST



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## INVESTMENT TRENDS



AS OF Q3 2020 YTD,  
MIDDLE EAST HEALTHTECH  
TOTAL VENTURE FUNDING DEPLOYED IN 2020 WAS

**\$458 MILLION**

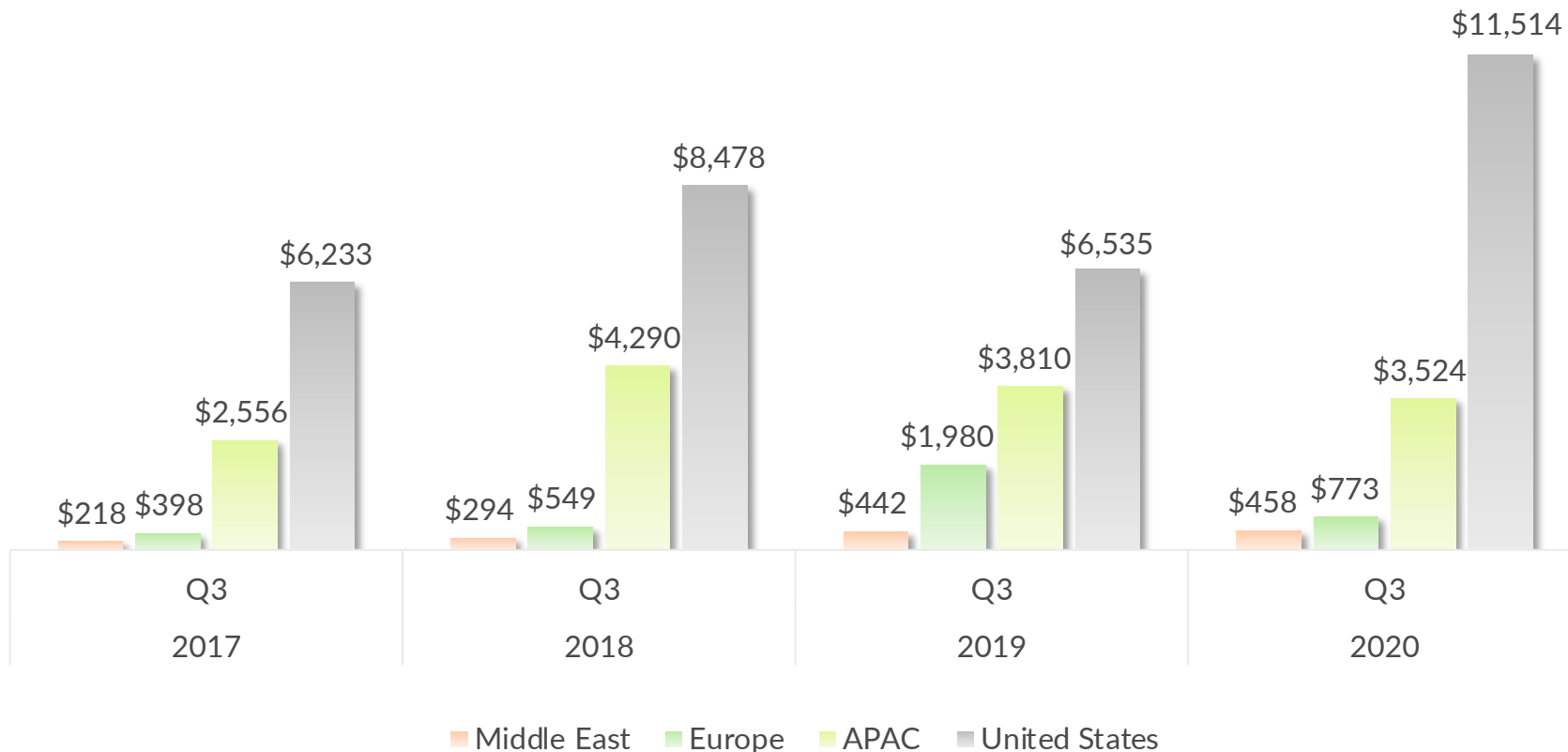
ACROSS

**43 DEALS**

WORLDWIDE

## GLOBAL Q3 CUMULATIVE FUNDING IN DIGITAL HEALTH

As of Q3 2020, \$16.3 B was invested in digital health ventures across the United States, Europe, Middle East and Asia Pacific in 2020, with investment in the Middle East representing 2.8% of total funding across all four regions



REGION	CAGR (2015 Q3 - 2020 Q3)
United States	25%
Europe	55%
Middle East	41%
APAC	9%

## MIDDLE EAST

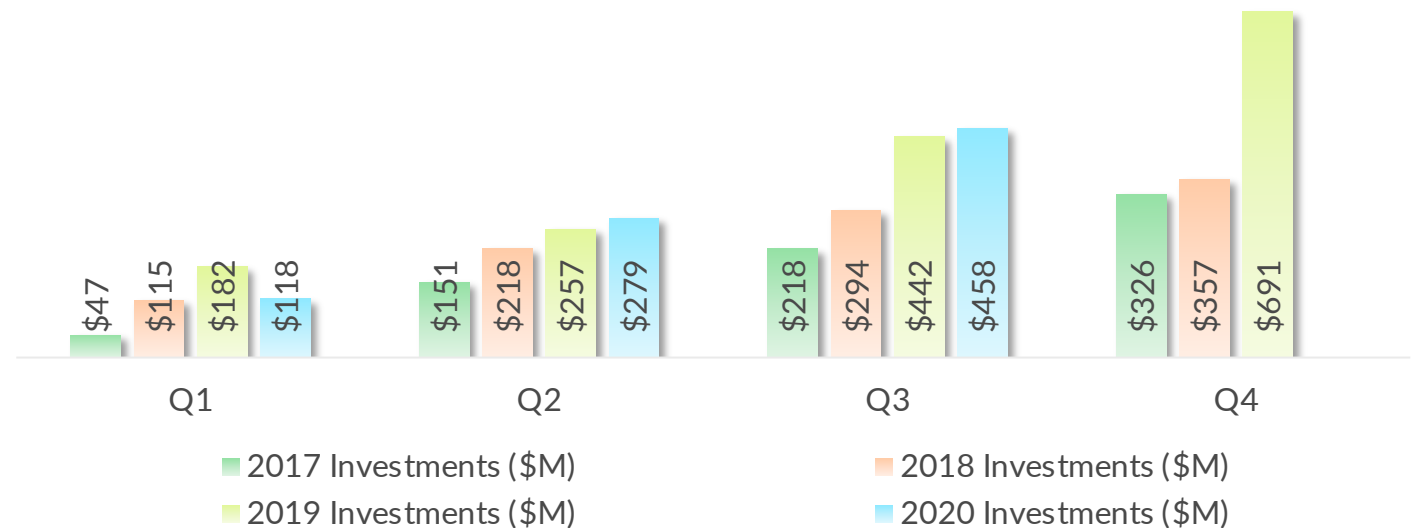
## MIDDLE EAST HEALTHTECH FUNDING HISTORY

- As of Q3 2020 YTD, HealthTech venture capital cumulative funding closed at \$458 M, a slight increase of 3.6% compared to total funding of \$442 M in Q3 2019
- Total funding raised in the 3<sup>rd</sup> quarter of 2020 was \$178 M, an increase of 9.9% as compared to the amount raised in Q2
- Total venture deal volume closed at 43 deals, down 14% YoY compared to Q3 2019
- Average deal size increased by 35% from \$10.1 M in Q2 2020 to \$13.7 M in Q3 2020, and increased by 41% compared to \$9.7 M in Q3 2019
- Despite that deal volume continues to remain stable of the past years, total funding continues to steadily increase YoY

## Cumulative Venture Capital Deal Volume by Quarter

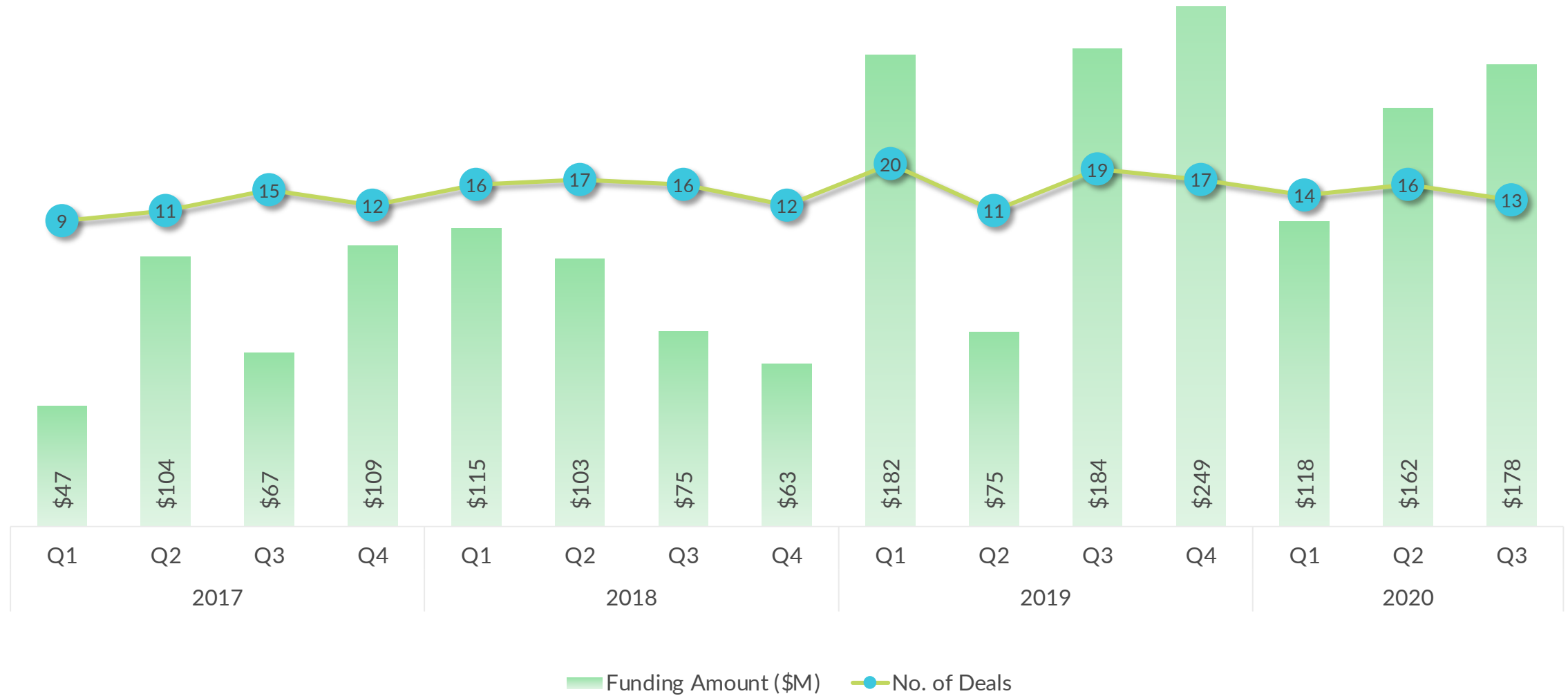
	Q1	Q2	Q3	Q4
2017 Deals	9	20	35	47
2018 Deals	16	33	49	61
2019 Deals	20	31	50	67
2020 Deals	14	30	43	

## Cumulative Venture Capital Deal Value by Quarter



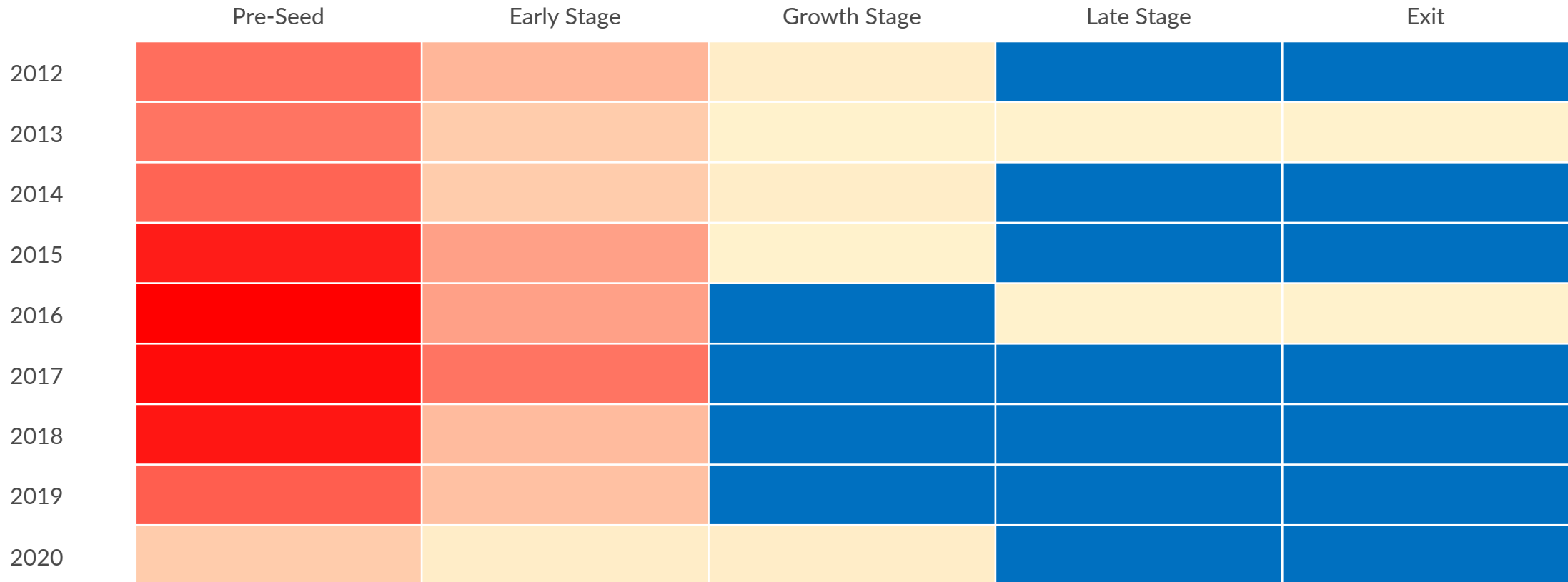
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## QQQ MIDDLE EAST HEALTHTECH FUNDING HISTORY



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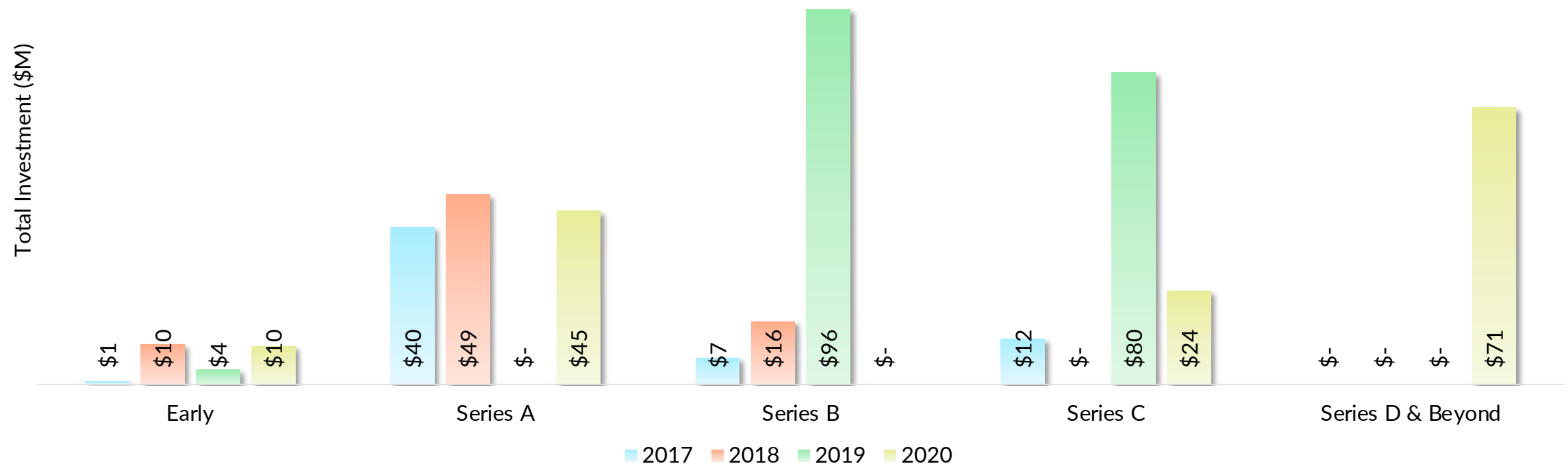
# HEALTHTECH VENTURE MATURITY PIPELINE 2020



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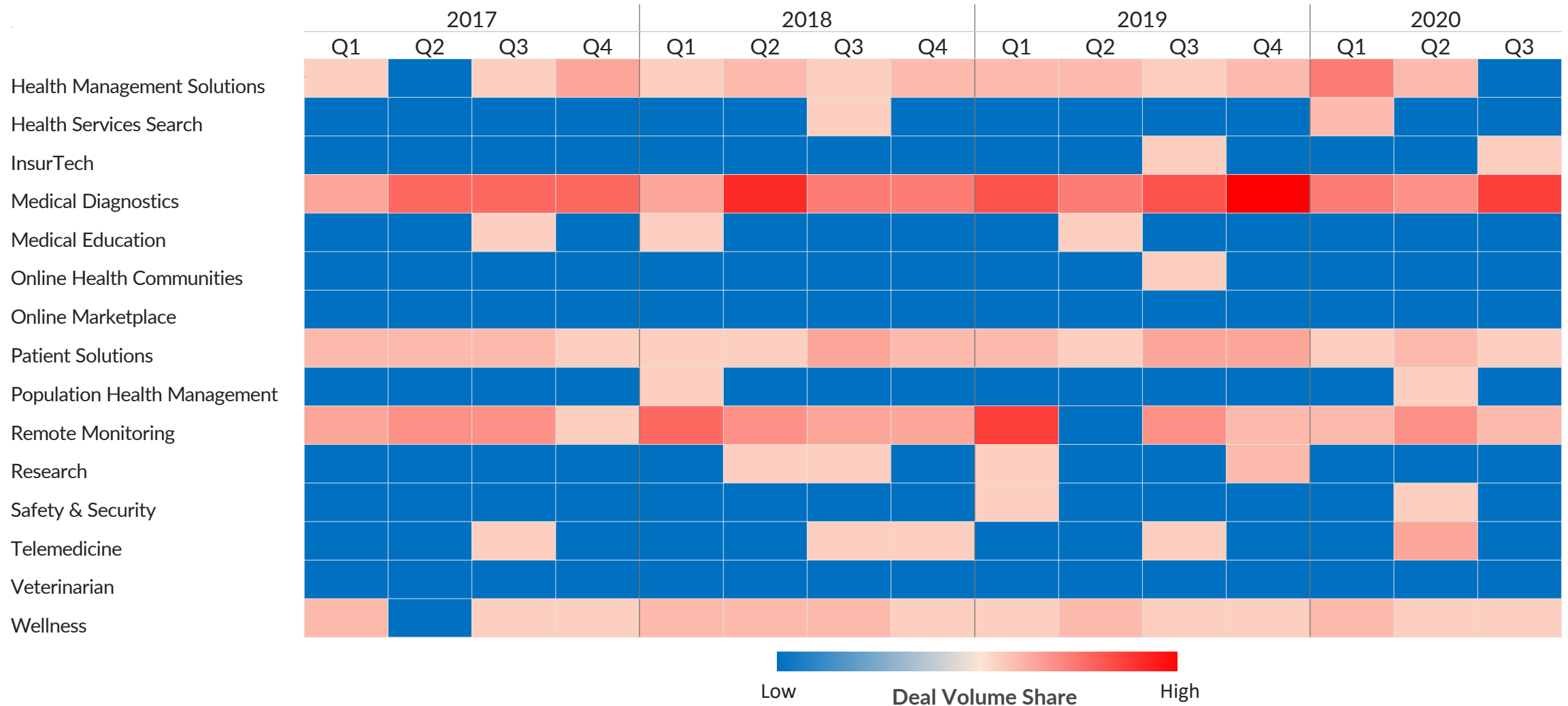
## MIDDLE EAST ECOSYSTEM Q3 YOY COMPARISON

With \$178 M invested, Q3 in 2020 approximately closes almost on par with Q3 2019. Notably, funding in Q3 2020 was driven by a \$71 M venture round in Sight Diagnostics with no Series B deal being closed.



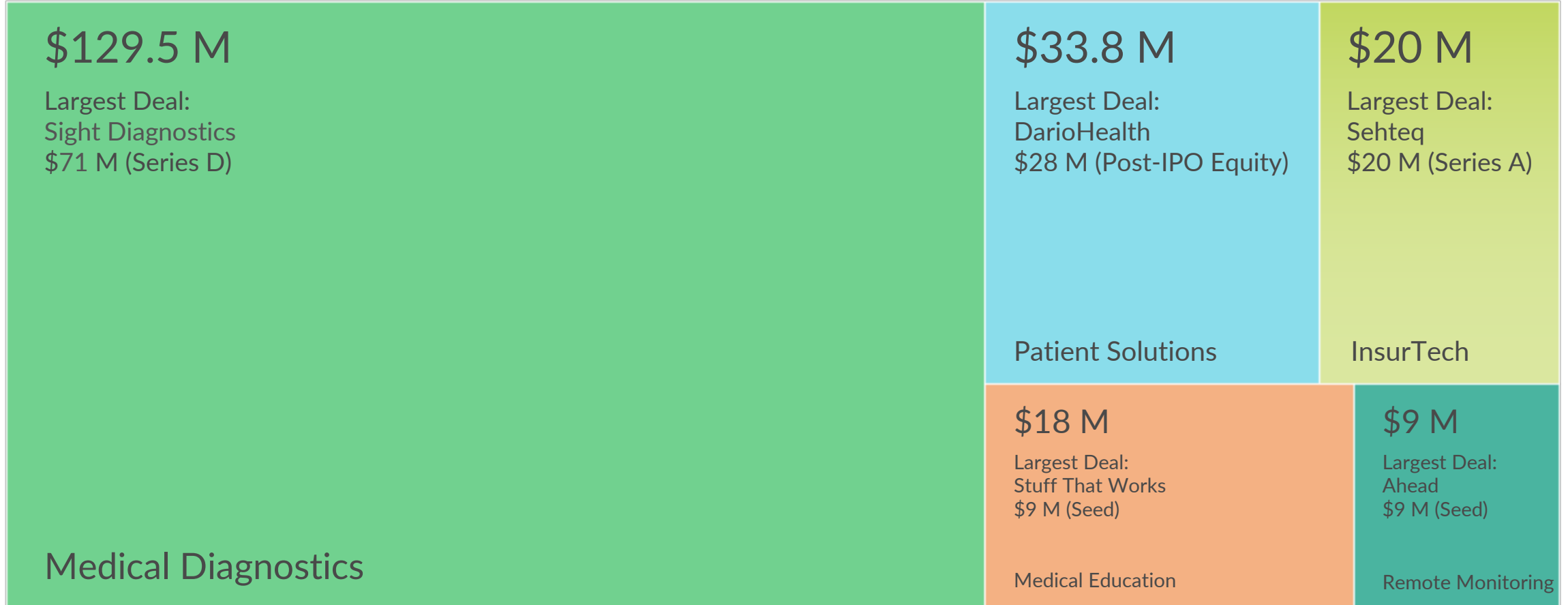
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# MIDDLE EAST HEALTHTECH CATEGORY DISTRIBUTION



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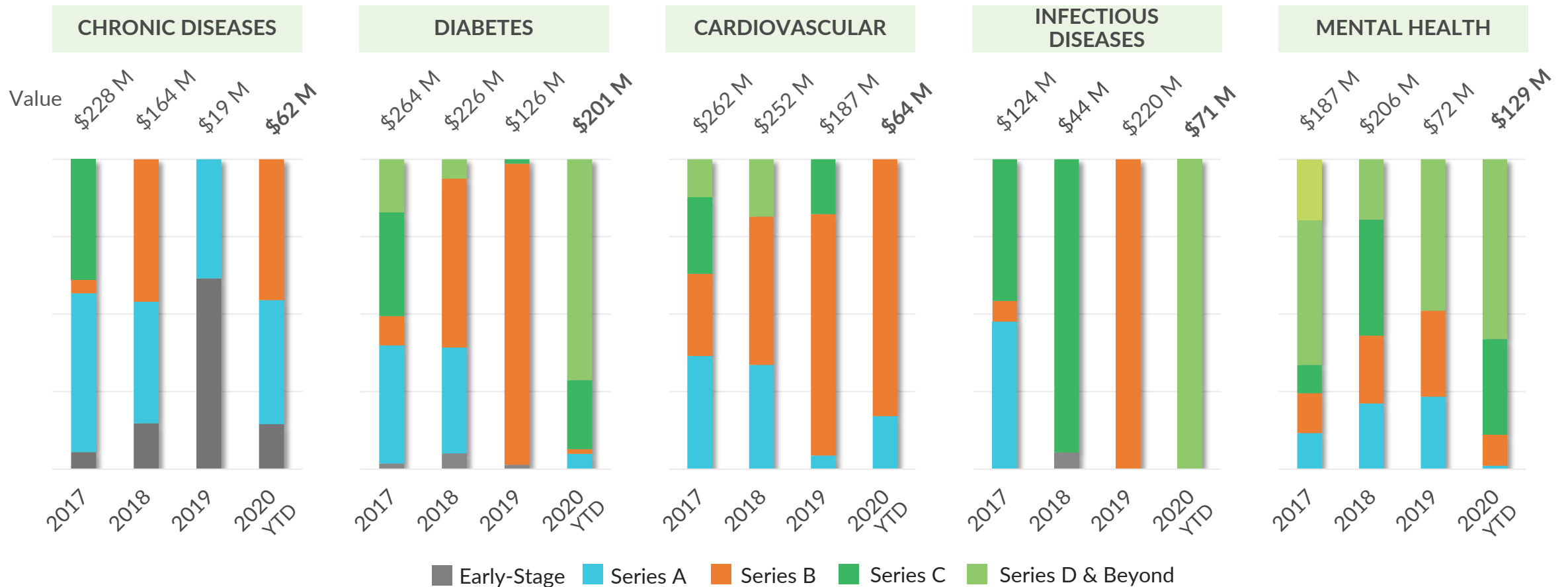
## HEALTHTECH MOST FUNDED CATEGORIES BY VALUE



MIDDLE EAST













# THERAPEUTIC FOCUS AREAS BY VALUE SHARE

*In Q3 2020, venture capital funding increased in Chronic Diseases, Diabetes and Mental Health ventures by 3.26x, 60% and 80%, and decreased in Cardiovascular and Infectious Diseases ventures by 66% and 67% respectively*













## MIDDLE EAST

## MIDDLE EAST MOST ACTIVE INVESTORS

Investor	Type	No. of HealthTech Deals		Latest Participated Investment	Date	Amount Invested (\$M)
		Middle East (2020)	Total			
 OurCrowd	Venture Capital	5	17	 Sight Diagnostics	08 / 2020	\$ 71.0
 Vertex Ventures	Venture Capital	3	4	 Nucleai	07 / 2020	\$ 6.5
 OrbiMed Healthcare Fund Management	Venture Capital	2	18	 MobileODT Mobile Optical Detection Technologies	08 / 2020	\$ 4.0
 Pitango Venture Capital	Venture Capital	2	14	 Alike Health	05 / 2020	\$ 5.0
 OurCrowd QURE	Venture Capital	2	5	 Tyto Care Your On Demand Medical Exam	04 / 2020	\$ 50.0
 OLIVE TREE VENTURES	Venture Capital	2	5	 Scopio Labs	04 / 2020	\$ 16.0











## MIDDLE EAST

## 2020 NOTEWORTHY PARTNERSHIPS

Corporate	Startup	Location	Date	Category
 IronHealth	 PeriGen	Israel	03 / 2020	Diagnosis Tools
 Vitality Group	 DarioHealth	Israel	03 / 2020	Disease Management
 Cove	 Theranica	Israel	04 / 2020	Digital Therapeutics
 MediOrbis	 DarioHealth	Israel	04 / 2020	Disease Management
 Nano-X Imaging	 Qure	Israel	04 / 2020	Physician Networks

## MIDDLE EAST

## Q3 2020 NOTEWORTHY DEALS

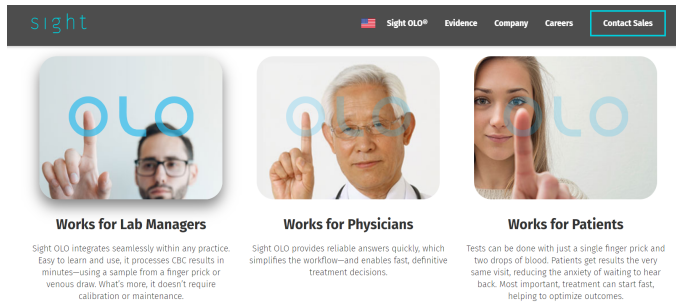
Startup	Investors	Country	Category	Stage	Date	Deal Value (\$M)
 Sanolla	 Horizon 2020	Israel	Diagnosis Tools	Grant	09 / 2020	Undisclosed
 Sight Diagnostics	 Koch Disruptive Technologies	Israel	Medical Diagnostics	Series D	08 / 2020	\$ 71.0
 Sehteq	 971 Capital	UAE	Health Insurance	Series A	08 / 2020	\$ 20.0
 RealView Imaging	 OurCrowd	Israel	Medical Diagnostics	Series C	07 / 2020	\$ 20.0
 Nanox Imaging	 SK Telecom	Israel	Medical Imaging	Series C1	06 / 2020	\$ 20.0

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# 2020 VENTURE SPOTLIGHT

*Ventures who have raised the most significant amount of funding in 2020*

## Sight Diagnostics



**Country**

Israel

**Primary Sector**

Medical Diagnostics

**Current Stage**

Series D

**Recent Funding**

\$71 M

**Valuation\*:**

\$546.2 M

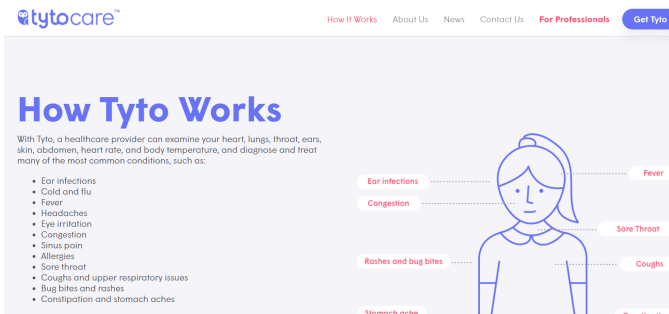
**HTA Score:**

60.0

Sight Diagnostics uses advanced computer-vision and machine learning technology in the field of blood diagnostics.

## Tyto Care

Your On Demand Medical Exam



**Country**

Israel

**Primary Sector**

Telemedicine

**Current Stage**

Series D

**Recent Funding**

\$50 M

**Valuation\*:**

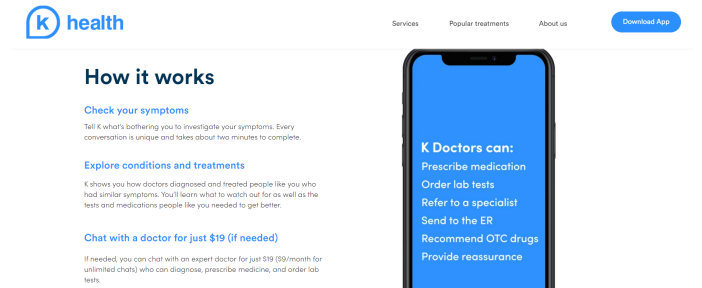
\$384.6 M

**HTA Score:**

68.8

Tyto Care seamlessly connects people to clinicians to provide optimal home examination and diagnosis solutions.

## K Health



**Country**

Israel

**Primary Sector**

Medical Diagnostics

**Current Stage**

Series C

**Recent Funding**

\$48 M

**Valuation\*:**

\$282.4 B

**HTA Score:**

64.1

K Health develops K, an AI personal health assistant powered by medical charts, notes and labs to deliver personalized primary care.

\*Note: The Valuation is a value calculated with HealthTech Alpha's proprietary algorithm and based on the venture's performance in its ecosystem

# MIDDLE EAST






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## EXIT TRENDS




## MIDDLE EAST

## 2020 NOTEWORTHY EXIT DEALS (IPOs)

Startup	Country	Category	Date	Opening Price	Amount Raised at IPO (\$M)	Market Capitalization (\$M)	% Change in Price per Share *
 Nanox Imaging	Israel	Medical Imaging	08 / 2020	\$ 18.00	\$ 165.2	\$ 903.0	+ 30.7 %
 Safe-T	Israel	Cybersecurity	04 / 2020	\$ 1.10	\$ 8.4	\$ 4.5	- 7.3 %
 Itamar Medical	Israel	Diagnosis Tools	02 / 2020	\$ 13.75	\$ 40.3	\$ 183.6	+ 48.6 %

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## 2020 NOTEWORTHY EXIT DEALS (M&A)

Startup	Acquirer	Country	Category	Date	Deal Value (\$M)
 Orpheus Medical	Undisclosed	Israel	Telesurgery	02 / 2020	Undisclosed
 Simplee® Simplee	 Flywire	Israel	Hospital	02 / 2020	Undisclosed

# KEY INFORMATION

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## SCOPE OF REPORT

This report covers HealthTech ventures with incorporation date after 2002 in the Middle East. Ventures incorporated outside the Middle East have not been included in this analysis.

HealthTech is defined as the intersection between healthcare and technology, and is also referred to as digital health. HealthTech does not include Biotech (protein research or pharmaceuticals), MedDev (devices that are mechanical and electronic in nature), neuro-stimulates, opioids and minimal-invasive instruments. We recommend reviewing our taxonomy on the next page for further details.

## DATA SOURCING AND TRACKING

Galen Growth tracks a comprehensive inventory of key data points ranging from company demographics, funding and valuation to in-market capabilities on a continuously growing and curated list of HealthTech ventures drawn from global markets. Data is collated from primary research, public domain sources (press releases, news, public fillings), proprietary analytics and from its unique network.

The information is:

- Disclosed and undisclosed by nature
- Continuously updated with the latest data
- Curated from both direct and indirect verified sources
- Augmented with our proprietary algorithms

Each HealthTech Alpha Index and Score is calculated using proprietary algorithms and data points drawn from our carefully curated HealthTech Alpha database. We recommend reviewing our venture spotlights for further insights.

## KEY TERMS AND DEFINITIONS

BASE CURRENCY	USD
EARLY STAGE	All deals up to and including Pre-A & Series A stage
GROWTH STAGE	All deals at Series B & C stage
LATE STAGE	All deals at Series D & Beyond stage
EXIT	IPO and M&A deals
HTA	HealthTech Alpha

## IMPORTANT INFORMATION

This report is provided solely for informational purposes and was prepared in good faith on the basis of public information available at the time of publication without independent verification. Numbers will be updated from time to time to reflect information identified after the event.

Galen Growth does not guarantee or warrant the reliability or completeness of the data nor its usefulness in achieving any particular purposes.

Galen Growth shall not be liable for any loss, damage, cost or expense incurred by reason because of any persons use or reliance on this report.

This report is a proprietary aggregation of publicly available and undisclosed data and shall not be forwarded or reproduced without the prior written consent of Galen Growth.

## RESEARCH INQUIRIES

For more information about data, research and Galen Growth's proprietary algorithm contact: [dario.heyman@galengrowth.com](mailto:dario.heyman@galengrowth.com) for more information.

## KEY INFORMATION

## OUR TAXONOMY

**Health Services Search**

Medical Concierge  
Medical Tourism  
Track & Trace  
Triage

**Online Marketplace**

Consumer Marketplace  
Professional Marketplace  
On-demand Lab Tests

**Online Health Communities**

Patient Health Forums  
Physician Networks  
Other HCP Networks

**Health InsurTech**

Health Claim Management  
Medical Payments  
Health Insurance

**Medical Diagnostics**

Medical Imaging  
Diagnosis Tools  
Genomics Related Diagnosis

**Research**

Drug Discovery  
Next Generation Sequencing  
Genomics Related Research  
Clinical Trials

**Remote Monitoring**

Home Healthcare  
Remote Monitoring Devices  
Care Coordination

**Medical Education**

HCP Education  
Health Information Platform  
Consumer Education

**Wellness**

Wellness Apps  
Wearables  
Smart Equipment  
Wellness Information Platform  
Genomics Related Applications

**Veterinarian**

Health Forums  
Animal Imaging  
Animal Monitoring

**Patient Solutions**

Digital Therapeutics  
Patient Self-Diagnosis  
Disease Management

**Health Management Solutions**

EHR / EMR  
Physician / Clinic  
Hospital  
Pharmacy  
Prescriptive Analytics

**Telemedicine**

Teleconsultation  
Teleradiology  
Telepathology

**Population Health Management**

Corporate Health  
Integrated Solutions

**Others**

Social Enterprise  
HCP Job Board  
Software Provider  
Contamination Management

# Who we are

Galen Growth is the global leader in digital health intelligence, analytics and matchmaking, empowering global Fortune 500 companies and institutional investors to fast track their growth strategies.



## OUR MISSION

# Fast Tracking your HealthTech Innovation Ambitions across the Globe

It is an external game! The most innovative companies partner with ecosystem specialists to gain access to different capabilities and sources of data which they then use to build new business models or develop new products and services.

We believe the fastest, most effective way to scale digital health innovation is to be the preferred innovation partner for investors, corporations and startups to enable them to re-invent healthcare and realise its full societal value.

Galen Growth is the only trusted expert dedicated to digital health innovation across the entire value chain of healthcare: from R&D to payments. We partner with proven HealthTech ventures, leading corporations and institutional investors to empower them to execute winning strategies.

With our unmatched and unequalled coverage of Asia, USA, Europe and the Middle East, we are the only innovation platform capable of bridging the ambitions of global headquarters and investor teams, to enable near term tangible business results.

## OUR DIFFERENTIATORS

# 1

### GLOBAL REACH

#### Unmatched global ecosystems coverage

- Unmatched, unequalled and indispensable breadth, depth, accuracy and velocity of global data
- 4 regions, 6,300+ ventures, and 75+ million data points
- Unique global network of digital health innovation leaders
- Offices in Asia and Europe

# 2

### CORE SOLUTIONS

#### Cutting edge HealthTech innovation solutions

- **HealthTech Alpha:** Real-time data, analysis and news at your fingertips
- **Next Gen Scouting:** Problem statement driven scouting, selection and profiling
- **Acceleration Solutions:** Empowering enterprise innovation teams to win
- **Research:** Go-to-reference digital health research
- **Events:** Matchmaking dedicated to enterprise leaders, investors and startups

# 3

### RECOGNISED SPECIALISTS

#### Proven team track record

- Preferred partner for many leading corporations and investors
- Trusted advisor with superb client credentials
- Specialist team with extensive industry leadership experience and proven track record
- Team members in USA, Japan, Switzerland and Singapore

## OUR CORE SOLUTIONS



### NEXT GEN SCOUTING

SCOUT | SELECT | PROFILE

#### Scouting and profiling enabled by advanced analytics and insights

Leverage our analyst team and technology to fast track the analysis of hundreds of thousands of data points, way beyond financials, to pinpoint, evaluate and prioritise best fit ventures for your organisation's needs ahead of your peers.



### HEALTHTECH ALPHA

MONITOR | IDENTIFY | TRACK

#### Real time data, analysis and news at your fingertips

The global leading on-demand HealthTech intelligence and analytics platform, preferred by enterprises, investors, startups and scale-ups, giving access to actionable insights and unique market intel on the thousands of digital health ventures enabling better decisions, based on real time and accurate data.



### ENTERPRISE ACCELERATION

DESIGN | MOBILISE | BUILD

#### Empowering enterprise innovation teams to win

A full suite of cutting edge HealthTech enterprise acceleration programmes, powered by Galen Growth's unique capabilities, ranging from our **Innovation Xplorer** membership to our dedicated end-to-end in-house **Innovation Accelerator**.

ABOUT GALEN GROWTH

## OUR PARTNERS

			Asia's Leading Life Insurer			
	HEALTH X CAPITAL					
						
						

ABOUT GALEN GROWTH

# SOLUTIONS OVERVIEW



**HealthTech  
Alpha**



**Acceleration  
Solutions**



**Next Gen  
Scouting**



**Events**



**Research**



## ABOUT GALEN GROWTH

## THE GALEN GROWTH DIFFERENCE



Monitor, evaluate and engage with the globe's HealthTech innovation ecosystems



Focus valuable resources on partnership deal execution for near term business impact versus the grind of research



Fast track your timelines to achieve earlier business impact



Develop real time actionable insights and transparency to the fast changing ecosystem



Start with the entire ecosystem picture versus a snapshot before zooming into best fit ventures



Build stronger capabilities and sustainable organisational knowledge



Operate with the most comprehensive and accurate data that is never out of date



Mitigate risks and avoid hype

# Bringing The World's Leading Digital Health Rendez-Vous To You

The Global HealthTech Summit is the culmination of the industry's finest thought-leadership and innovators. Bringing the experience to your screens, catch over 30 riveting discussions with pharma, insurers and more. Connect with more than 100 innovative HealthTech startups from around the world in expansive virtual exhibition halls, and network with 1,000 plus industry leaders and decision-makers.

[Contact](#) us if you are interested



- Exclusive by-invitation-only
- Largest HealthTech deal-flow event – expect over 400 investors and CVCs
- Latest trends, insights and opinions from leading experts around the world
- Meet the world's top 100 digital health's most promising ventures
- Celebrate the World's Most Innovative HealthTech Startup 2020 winner

## What you can expect from the Global HealthTech Summit 2020

1000+  
participants

400+  
investors  
and CVCs

100+  
HealthTech  
startups

50+  
speakers

## FEATURED IN

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# Interested?

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