

UNITED STATES HEALTHTECH ECOSYSTEM KEY TRENDS

THIRD QUARTER 2020

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



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CEO & Founder
Galen Growth

We are delighted to share with you our first USA HealthTech Ecosystem 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.

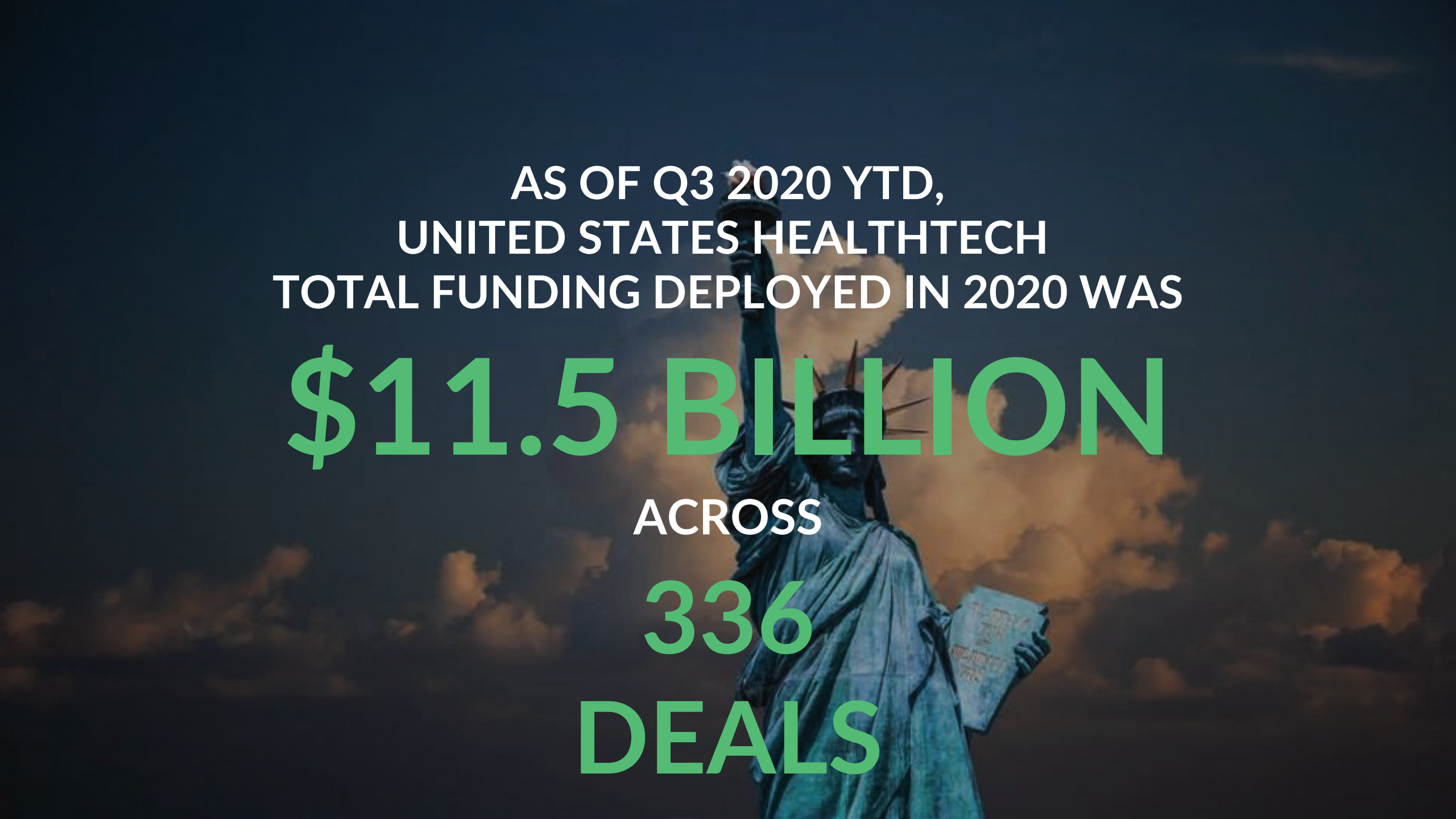
The USA ecosystem closed a record US\$11.5B in venture capital funding despite a slight shrinkage in deal volume down to 336 deals. This excludes all M&A and IPO deal activities.

We can report that, as at the end of the third quarter of 2020, the United States cumulative funding into digital health ventures has exceeded the same period in 2019 by 76%. This trend is in complete contrast to the other primary regional ecosystems which have witnessed a slow down in funding.

We also focus our analysis on the venture pipeline maturity, category focus, therapeutic priorities and noteworthy deals, exits, partnerships and investors.

Based on our analysis, we conclude that most analysis of this vibrant ecosystem has been inadequate due to inconsistent taxonomy and focus.

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.

The background of the image is a photograph of the Statue of Liberty in New York City. The statue is shown from the waist up, holding the torch in her right hand and the tablet in her left. The sky is a mix of dark blue and orange, suggesting a sunset or sunrise. The text is overlaid on this background.

AS OF Q3 2020 YTD,
UNITED STATES HEALTHTECH
TOTAL FUNDING DEPLOYED IN 2020 WAS

\$11.5 BILLION

ACROSS

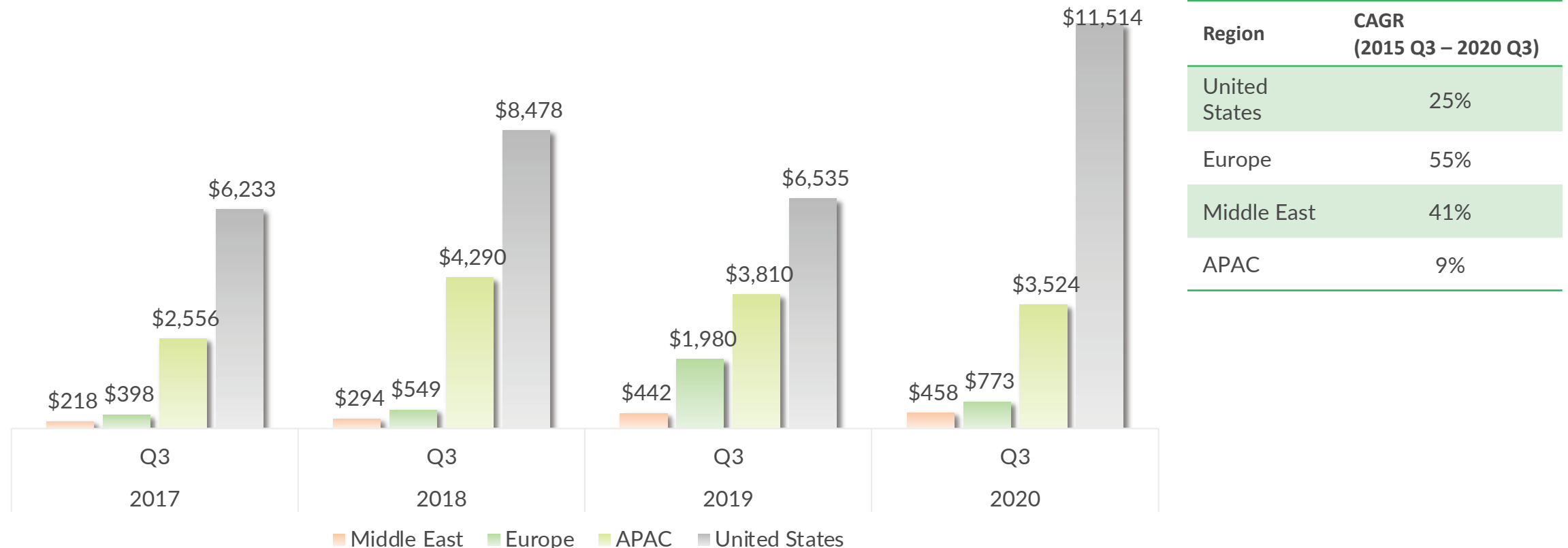
336

DEALS

WORLDWIDE

GLOBAL Q3 CUMULATIVE FUNDING IN DIGITAL HEALTH

As at Q3 2020 YTD, the United States cumulative funding into digital health ventures has exceeded Q3 2019 cumulative funding by 76%



UNITED STATES

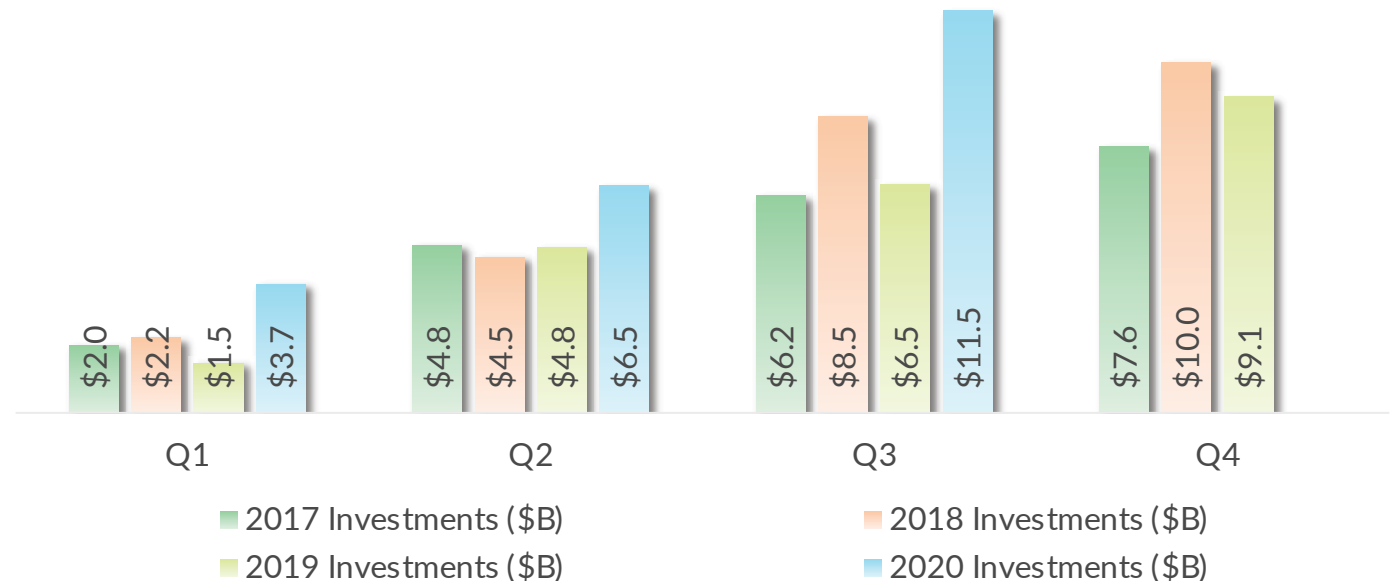
UNITED STATES HEALTHTECH FUNDING HISTORY

- As at Q3 2020 YTD, HealthTech venture capital cumulative funding closed at \$11.5 B, exceeding total funding in 2019 by 26%
- Driven by a strong Q1, exceeding Q1 2019 by 56%, and despite deal volume being down 37% YoY in Q2 2020, total venture capital deal volume at end of Q3 reached 336 deals, on par to Q3 2019
- Q3 2020 saw a significant increase in average deal size, up 43% to \$43.9M compared to Q2 2020 and up 1.66x compared to Q3 2019
- 26 mega venture capital deals (>\$100M) closed in Q3 2020 alone, bringing the total number of mega deals in 2020 to 47 deals
- Exit activity in Q3 significantly outpaced previous years with 6 IPOs and 27 M&A

Cumulative Venture Capital Deal Volume by Quarter

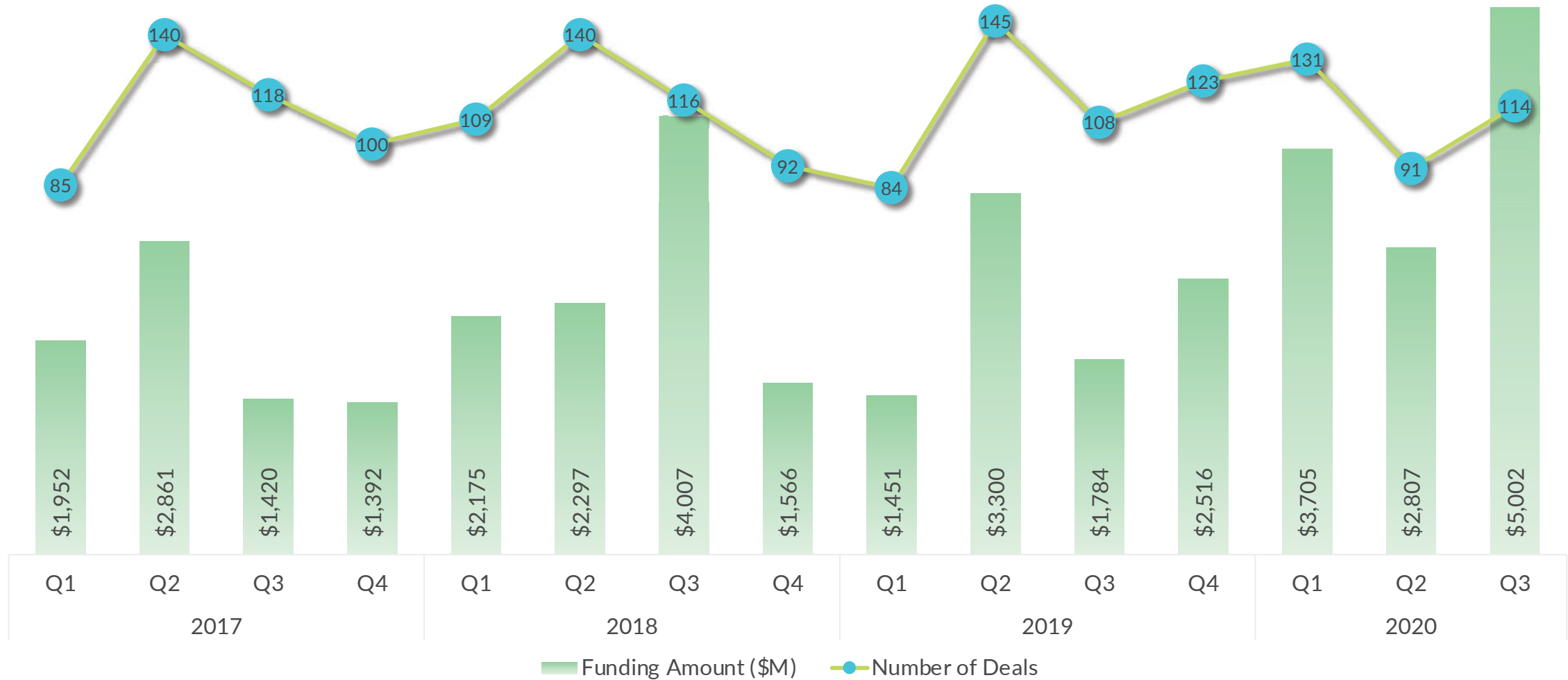
	Q1	Q2	Q3	Q4
2017 Deals	83	221	332	428
2018 Deals	109	249	365	457
2019 Deals	84	229	337	460
2020 Deals	131	222	336	

Cumulative Venture Capital Deal Value by Quarter



UNITED STATES

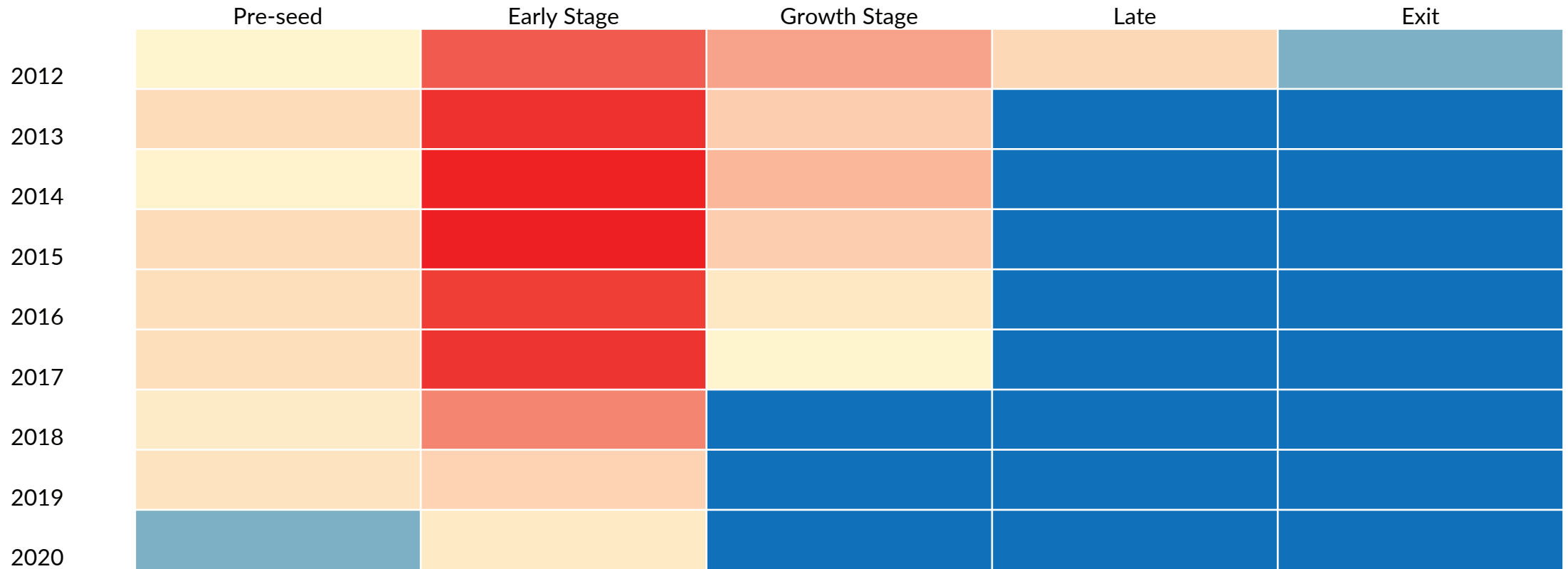
QQQ UNITED STATES HEALHTECH FUNDING HISTORY



■ Funding Amount (\$M) ● Number of Deals

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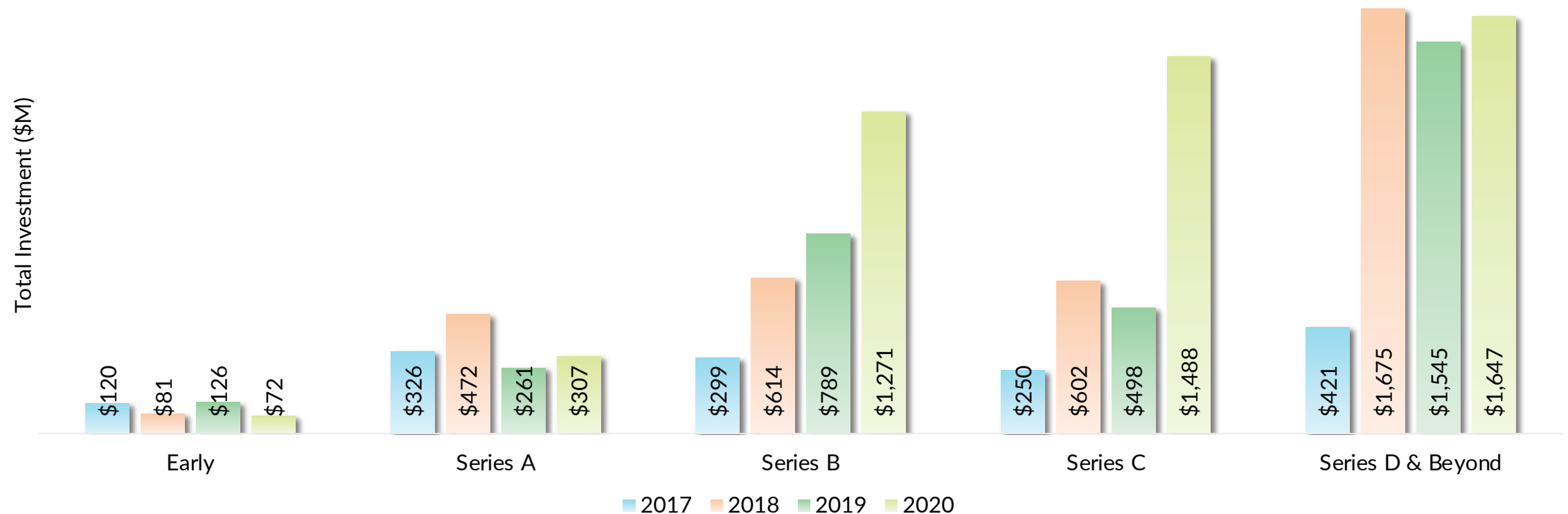
HEALTHTECH VENTURE MATURITY PIPELINE



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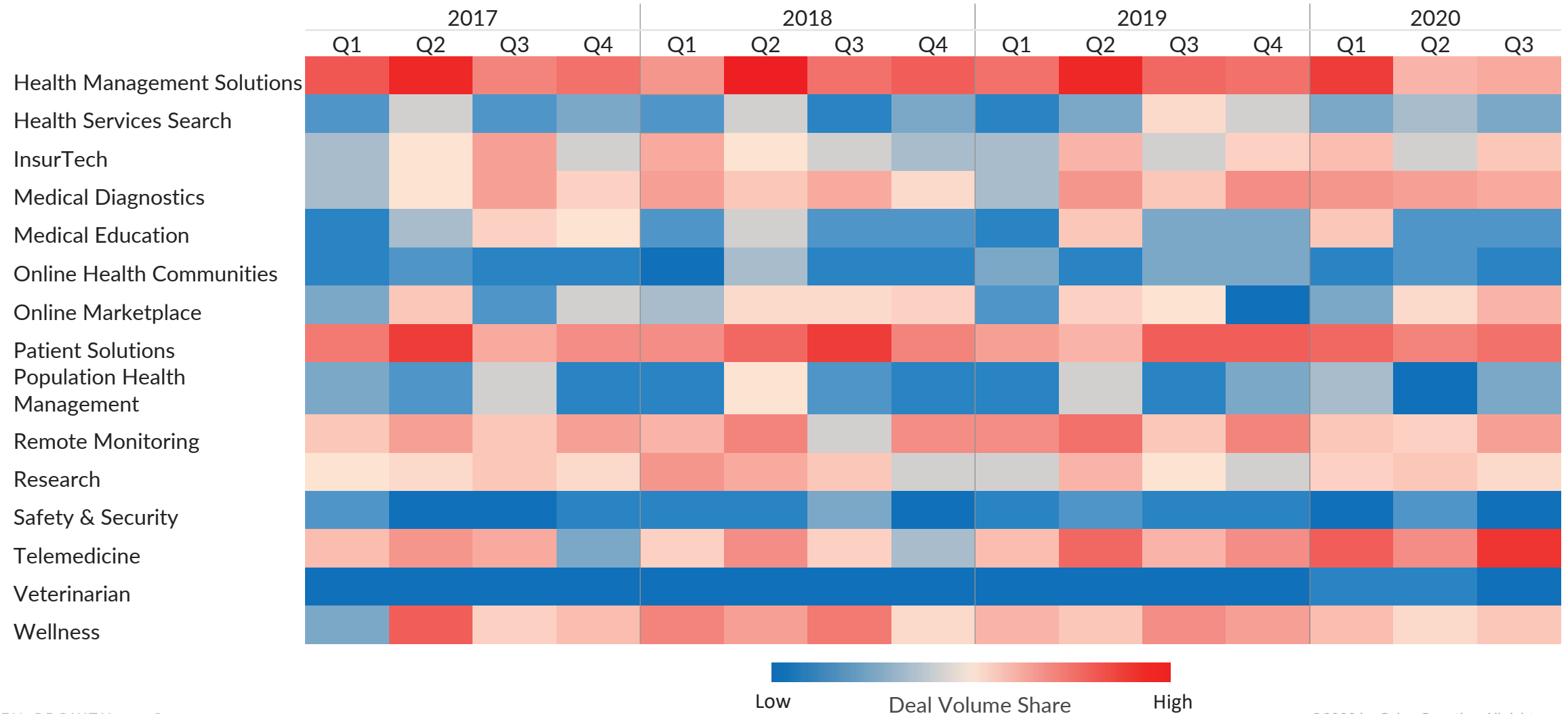
Q3 YOY INVESTMENT DISTRIBUTION COMPARISON

Compared to previous years, Q3 venture capital increased strongly driven primarily by Series B and Series C deals whereas Early Stage, Series A and Late Stage deals either decreased in total value or matched previous years



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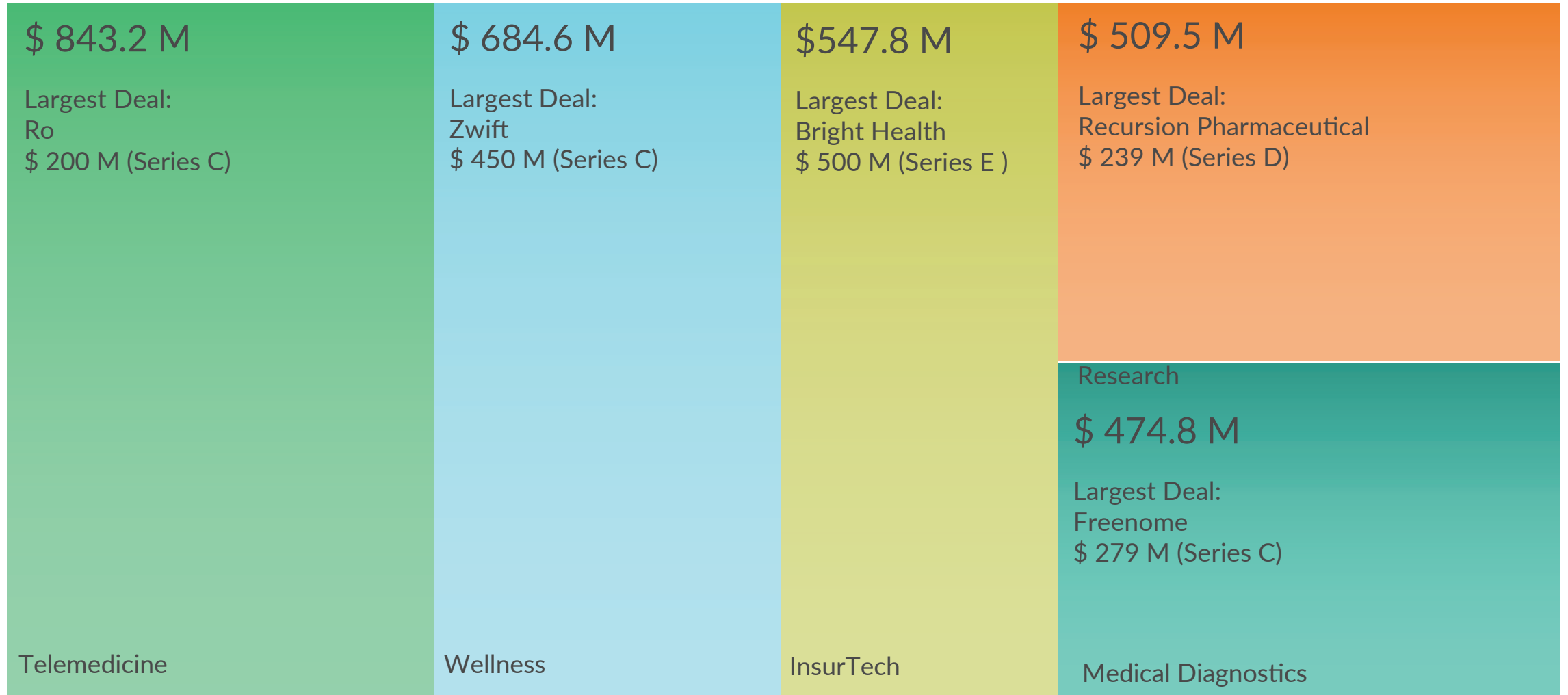
UNITED STATES HEALTHTECH CATEGORY DISTRIBUTION



Low Deal Volume Share High

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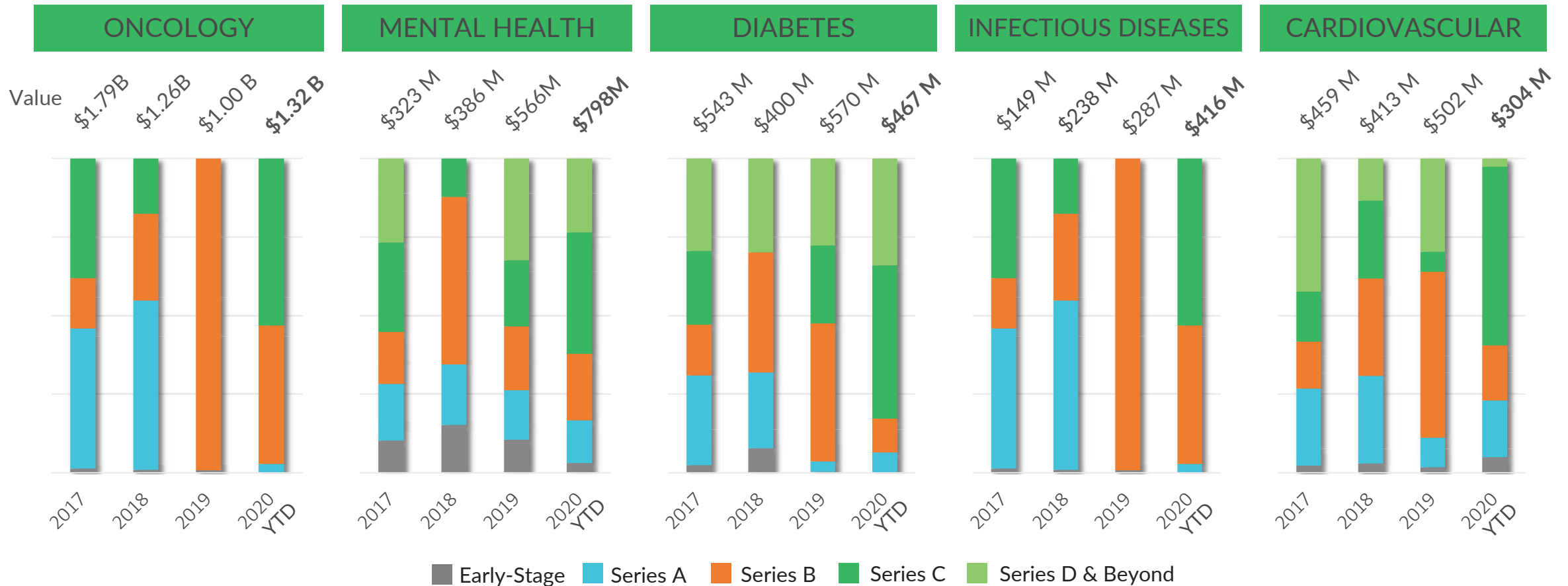
HEALTHTECH MOST FUNDED CATEGORIES BY VALUE



UNITED STATES












THERAPEUTIC FOCUS AREAS BY VALUE SHARE

Venture capital funding in Mental Health, Infectious Disease and Oncology ventures increased by 41%, 45% and 32%, respectively, while funding in ventures with chronic disease focus decreased as compared to 2019





UNITED STATES

Q3 2020 NOTEWORTHY DEALS

Startup	Investors	State	Category	Stage	Date	Deal value (\$M)	
 Freenome	 BainCapital  PERCEPTIVE ADVISORS	Bain Capital, Perceptive Advisors	California	Medical Diagnostics	Series C	08 2020	\$ 279.0
 RECURSION Recursion Pharmaceutical	 BAYER	Bayer AG	Utah	Drug Discovery	Stage D	09 2020	\$ 239.0
 GRAND ROUNDS [®] Grand Rounds	 THE CARLYLE GROUP	The Carlyle Group	California	Medical Concierge	Series E	09 2020	\$ 175.0
 sema4 Sema4	 BlackRock [®]	Blackrock	Connecticut	Health Management Solutions	Series C	07 2020	\$ 121.0
 amwell [®] Amwell	 Google	Google	Massachusetts	Telemedicine	Series C5	08 2020	\$ 100.0

UNITED STATES

Q3 2020 NOTEWORTHY EXIT DEALS (IPO)







Startup	State	Category	Date	Opening Price	Amount raised at IPO	Market Cap at IPO	% Change in price per share*
 GoodRx	California	Consumer Marketplace	09 2020	\$ 33	\$ 1.1 B	\$ 19.4 B	+ 68.5 %
 Amwell	Boston	Teleconsultation	09 2020	\$ 18	\$ 742 M	\$ 5.2 B	+ 64.7 %
 Outset Medical	California	Disease Management	09 2020	\$ 27	\$ 277 M	\$ 2.5 B	+ 85.2 %
 Accolade	Pennsylvania	Medical Concierge	07 2020	\$ 22	\$ 220 M	\$ 1.6 B	+ 85.1 %
 GoHealth	Illinois	Health Insurance	07 2020	\$ 21	\$ 914 M	\$ 6.9 B	- 38.0 %

* - Closing share price as of 30 September 2020

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UNITED STATES

Q3 2020 NOTEWORTHY EXIT DEALS (M&A)

Startup	Acquirer	State	Category	Date	Deal value
 Livongo	 Teladoc	California	Disease Management	08 2020	\$ 18.5 B
 GRAIL	 Illumina	California	Genomics Related Diagnosis	09 2020	\$ 8.0 B
 Ancestry	 Blackstone	Utah	Medical Diagnosis	08 2020	\$ 4.7 B
 Proteus	 Otsuka Pharmaceutical	California	Remote Monitoring Device	08 2020	\$ 15.0 M
 Clinical Ink	 GI Partners	North Carolina	Clinical Trials	08 2020	Undisclosed
 InfiniteMD	 Consumer Medical	Massachusetts	Teleconsultation	08 2020	Undisclosed
 Vitalware	 Health Catalyst	Washington	EHR-EMR	08 2020	Undisclosed
 Zipdrug	 IngenioRx	New York	Consumer Marketplace	07 2020	Undisclosed

UNITED STATES

MOST ACTIVE INVESTORS IN 2020

Investor	Type	2020 HealthTech Deals	Cumulative Number of HealthTech Deals	Latest Participated Investment	Date	Deal Size (\$M)
 Khosla Ventures	Venture Capital	12	90	 Caption Health	07 2020	\$ 52.7
 Oak HC/FT	Venture Capital	12	34	 Truepill	09 2020	\$ 75
 Optum Ventures	Venture Capital	12	27	 Truepill	09 2020	\$ 75
 General Catalyst	Venture Capital	9	34	 Olive	09 2020	\$ 106
 New Enterprise Associates	Venture Capital	8	67	 Bright Health	09 2020	\$ 500
 Lux Capital	Venture Capital	8	40	 RECURSION	09 2020	\$ 239

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Q3 2020 NOTEWORTHY PARTNERSHIPS

Corporate		Startup		States	Date	Category
 Boehringer Ingelheim	Boehringer Ingelheim	 Click Therapeutics	Click Therapeutics	New York	09 2020	Digital Therapeutics
 cegedim Health Data	Cegedim Health Data	 AETION	Aetion	New York	07 2020	Research Clinical Trials
 BlackBerry	Blackberry	 medcrypt	MedCrypt	California	07 2020	Cybersecurity
 SCL Health	SCL Health	 KYRUUS	Kyrus	Massachusetts	07 2020	Physician Networks
 NOVARTIS	Novartis	 Propeller	Propeller Health	Wisconsin	07 2020	Remote monitoring

UNITED STATES

2020 VENTURE SPOTLIGHT

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



State
California

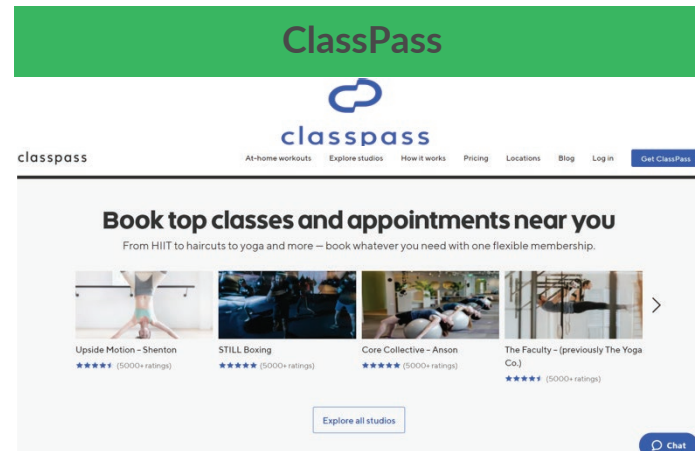
Primary Sector
Medical Diagnostics

Current Stage
M&A

Valuation at Acquisition
\$8 B

HTA Score:
98.1

GRAIL harness the power of high-intensity sequencing with clinical studies, modern computer science and data science to improve the understanding of cancer biology, and develop products for early detection of cancer.



State
New York

Primary Sector
Wellness

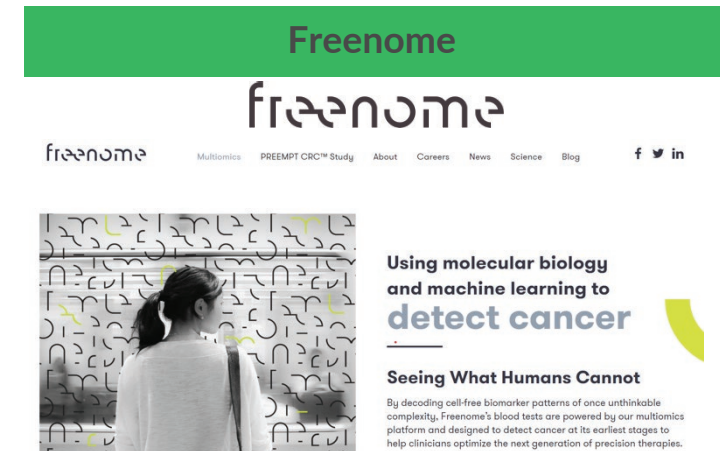
Current Stage
Series E

Recent Funding
\$285 M

Valuation:
\$1.64 B

HTA Score:
90.1

ClassPass allows members to gain access to global exercise studios, which offer diverse fitness options such as yoga, Pilates, boxing. ClassPass uses machine learning to cater users recommendations and also work with studio partners to find new customers.



State
California

Primary Sector
Medical Diagnostics

Current Stage
Series C

Recent Funding
\$279 M

Valuation:
\$1.64 B

HTA Score:
83.3

Freenome combines its deep expertise in molecular biology with advanced computational biology and machine learning techniques to reinvent disease management through early detection and precise intervention.

KEY INFORMATION



KEY INFORMATION

IMPORTANT INFORMATION

WHAT WE DEFINE AS HEALTHTECH

HealthTech defines the intersection between healthcare and technology and is also sometimes referred to as digital health. We recommend reviewing our taxonomy on slide 20 for further details.

HealthTech does not include Biotech, such as protein research or pharmaceuticals, and also does not include MedDev, such as devices that are mechanical and electronic in nature.

WHAT INFORMATION DO WE TRACK

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 all markets in Asia Pacific. We recommend reviewing our venture spotlights for further insights.

KEY TERMS / DEFINITIONS

- The base currency of this report is USD
- Early stage includes all deals up to & including Pre-A & Series A stage
- Growth stage includes all deals at Series B & C stage
- Late stage includes all deals at Series D & beyond stage
- Exits include all IPO and M&A deals

Each HealthTech Alpha Index and Score is calculated using proprietary algorithms and data points drawn from our carefully curated HealthTech Alpha database.

WHERE DO WE SOURCE OUR INFORMATION

Galen Growth collates its data from primary research, public domain sources (press releases, news, public filings), proprietary analytics and from its unique network. The information is:

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

IMPORTANT INFORMATION

This report is provided for informational purposes only and was prepared in good faith on the basis of public information available at the time of publication without independent verification.

Galen Growth does not guarantee or warrant the reliability or completeness of the data nor its usefulness in achieving any particular purposes. Numbers will be updated from time to time to reflect information identified after the event.

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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 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 Asian, USA, M. East and European coverage, 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			
						
						
						

ABOUT GALEN GROWTH

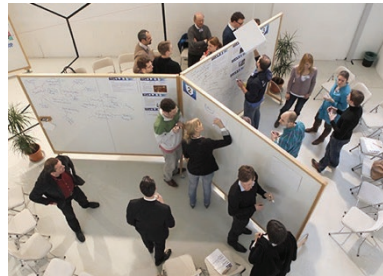
SOLUTIONS OVERVIEW



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're 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 for the Global HealthTech Summit

1000+
participants

400+
investors
and CVCs

100+
HealthTech
startups

50+
speakers



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