

# HEALTHTECH INVESTMENT LANDSCAPE

HALF YEAR 2019

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## INVESTMENT TRENDS

- Asia Pacific Insights
- Our Point of View
- China Focus
- India Focus
- SE Asia Focus
- Rest of Asia Focus

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## JULIEN DE SALABERRY

CEO & Founder  
Galen Growth Asia

We are delighted to share with you our 2019 Half Year Asia HealthTech Landscape report, the bi-annual go-to-reference for key trends and insights for investors, enterprises and startups.

Asia Pac HealthTech ecosystem momentum continues unabated closing at the mid year point at US\$2.5B invested, building on the back of a record breaking 2018.

Early stage ventures deal activity shrinks yet further, whereas total Series B and C deal value continues to grow, grabbing 69% of total funding, raising questions regarding the sustainability of the deal flow of Growth stage investors.

China slows with dollars to VC-backed ventures shrinking 49% in H1 2019 over the same period in 2018. Is the US-China geo-political spat biting?

India, where funding experienced a significant dip in value and volume in Q1 2019, regains speed to reach a massive US\$383M.

SE Asia doubles and is seemingly a net winner of the trade war.

Our ecosystem funding monitoring concludes that the ecosystem is not frothy but we are watching for valuation to fundamentals dislocation.

Not all previously reported headwinds have impacted the Asia Pac ecosystem momentum although the geopolitical uncertainty reported and witnessed in H2 2018 has evolved.

Industry and investor sentiment for HealthTech in Asia Pac continues to be very favourable. Over 90% of investors and enterprise business leaders recently surveyed confirmed that HealthTech remains a high priority for them.

Our most comprehensive report to date is powered by HealthTech Alpha, a Galen Growth Asia (GGA) solution, the most advanced digital health analytics platform in Asia Pac.

# ABOUT GALEN GROWTH ASIA

*Galen Growth Asia, a Singapore company, is the leading research, analytics and advisory firm in Asia Pac serving Fortune 500 companies and global investors, exclusively HealthTech focused*

## Our Mission

Founded in late 2015 by Singapore based HealthTech innovators, Galen Growth Asia (GGA), is at the epicentre of HealthTech innovation, aka digital health, in Asia Pac currently a \$75+B startup ecosystem

GGA has built a portfolio of solutions which enables it to be the catalyst of direct collaboration between enterprises, startups and investors to prototype, evaluate and implement HealthTech solutions to solve healthcare system pain points and create significant financial and social value in the region

We partner with enterprise, investors and startups to accelerate and deepen their understanding of this exciting ecosystem. We offer client specific analytics and advisory solutions to help them find the right options and scale their innovation plans

## We Fast Track HealthTech Strategies

### Accelerate Strategies

By leveraging its thought leadership, research, data and unique ecosystem network, GGA is in the enviable position of assisting enterprise, investors and startups ventures to accelerate the design and execution their HealthTech growth strategies

### Discover Solutions

GGA has built the most advance HealthTech ventures analytics platform allowing it and its clients to scan, screen and develop valuable insights. Through its rich network and this unique database, GGA is the leading authority in the Asia Pacific HealthTech ecosystem

### Engage Innovators

GGA has established the most comprehensive and relevant network of HealthTech startups and innovators across the region which includes entrepreneurs, investors, enterprise innovation teams, and many other key stakeholder groups allowing innovators to embed within the ecosystem faster

# ASIA OPEN INNOVATION HEALTHTECH COUNCIL

*A unique suite of solutions to enable innovation leaders to fast track the execution of their digital health strategies including curated deal flow, leadership briefings and access to the most advanced analytics platform amongst others*

The Asia HealthTech Open Innovation Council membership facilitates leaders to be connected with HealthTech startups in Asia and accelerate their digital health innovation journey.

From experience and feedback we know that, as an innovation leader in your organisation, you have a thirst for highly relevant insights on the digital health ecosystem which will position you as the champion of HealthTech innovation in your company to contribute to it being a leader in the delivery of healthcare.

With many accountabilities and demands on your time, you need to trust an expert to ensure you get access and exposure to the right people, the right information and the latest thought leadership in a timely and effective manner.

In addition, corporations investing resources in this sector to build their future value chains seek to be recognized as digital health innovation leaders and partners of choice for relevant startups, investors and other key stakeholders.

## Trusted by Global Healthcare Strategics



NOVEMBER

14,15

GALEN GROWTH ASIA

HEALTHTECH

SUMMIT

4<sup>th</sup> EDITION

GALEN GROWTH ASIA  
HEALTHTECH  
2019 SUMMIT

# ASIA PACIFIC

INVESTMENT

TRENDS





IN THE FIRST HALF OF 2019,  
ASIA PAC HEALTHTECH  
TOTAL FUNDING DEPLOYED

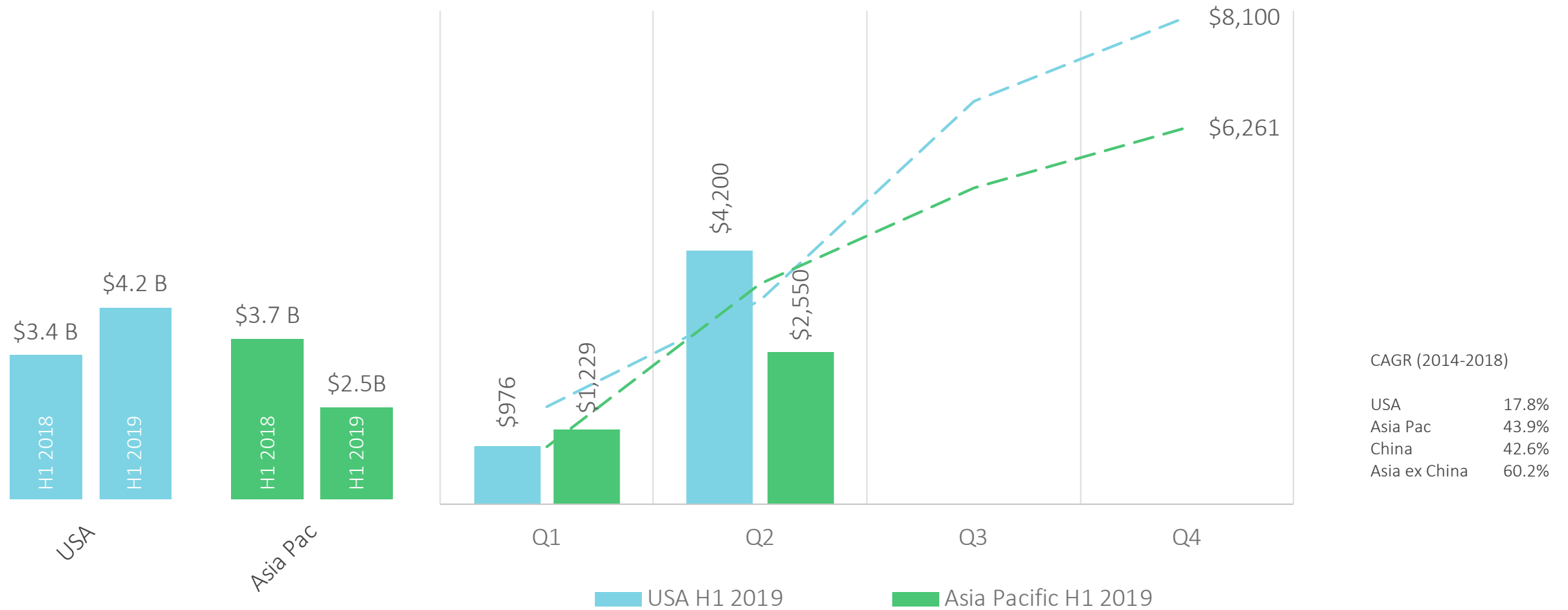
**\$2.5 BILLION**

ACROSS

**140 DEALS**

# ASIA PAC VS USA

Having edged ahead of the US in Q1, the Asia Pac HealthTech ecosystem funding momentum continues unabated, reflecting strong investor and enterprise appetite, and confirming its place as the 2<sup>nd</sup> largest in the world



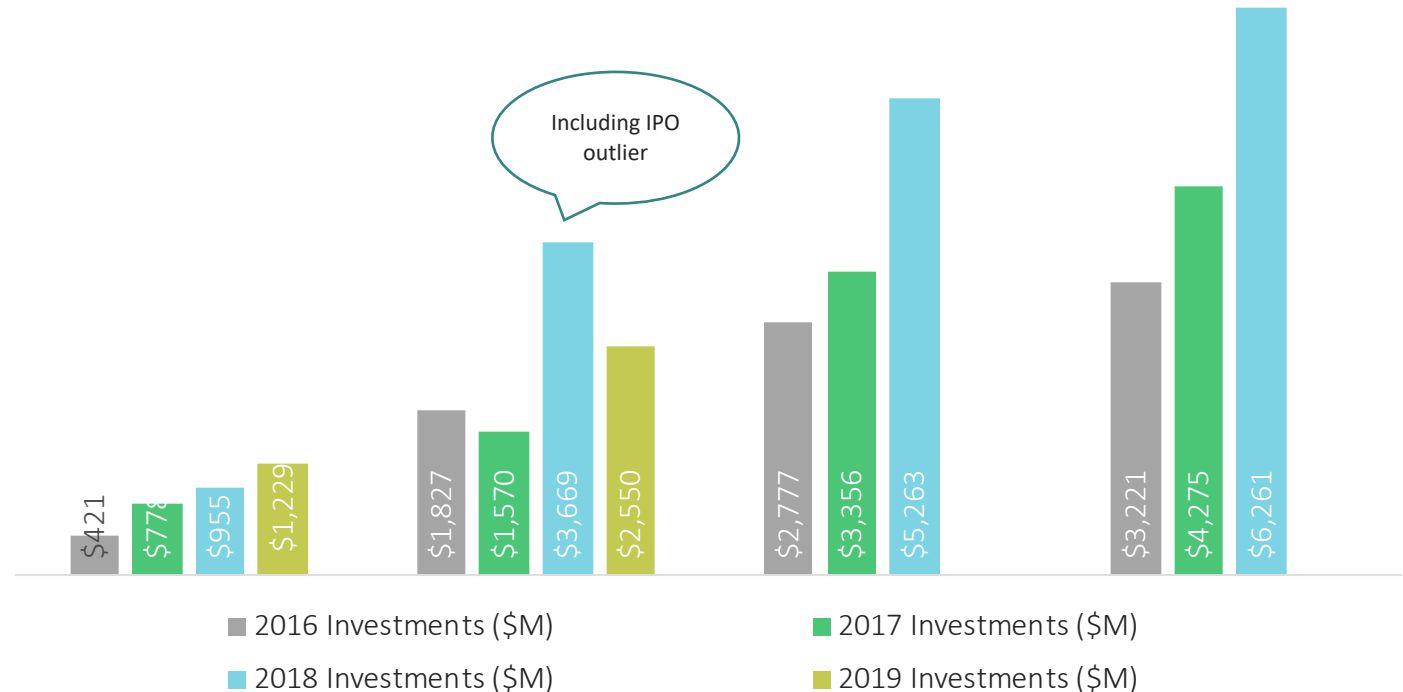
Source: USA funding sourced from Rock Health; Insufficient European data available to report accurately

# ASIA PAC HEALTHTECH FUNDING HISTORY (2016 – H1 2019)

- First half of 2019 total HealthTech funding closed at \$2.5B, with a total of 140 deals
- Excluding the sizeable 2018 outlier, the Ping An Hao Daifu (Good Doctor) IPO, total funding in the region was effectively flat
- Although deal volume count was down 38% vs H1 2018, average deal size increased 33% to 18.2M
- Exit round share accounted for 12.5% of the total deal value this year, down 40% from H1 2018

Cumulative Total Deal Volume by Quarter

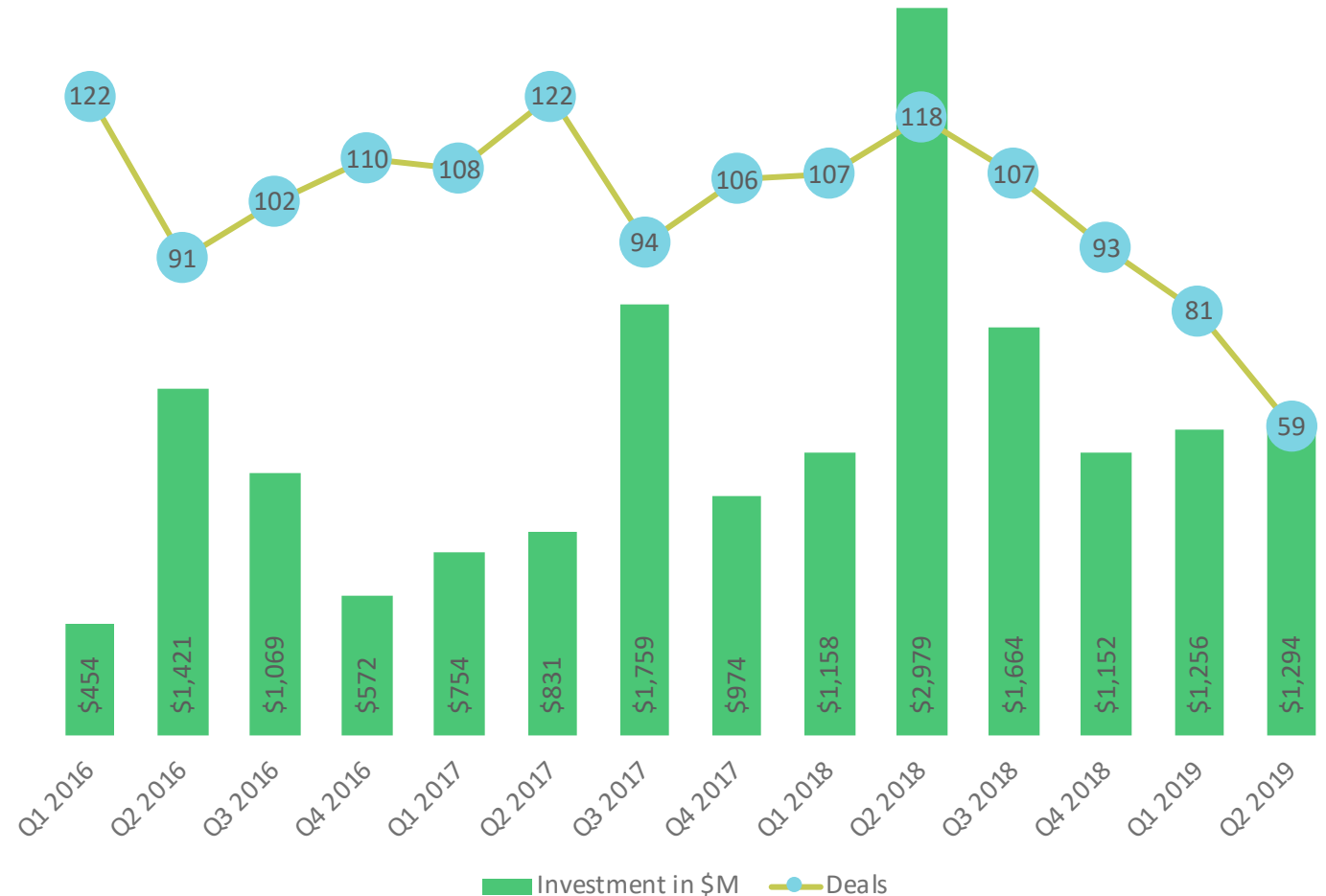
	Q1	Q2	Q3	Q4
2016	122	213	315	425
2017	108	230	324	430
2018	107	225	332	424
2019	81	140		



Note: All Q2, Q3 and Q4 values are cumulative

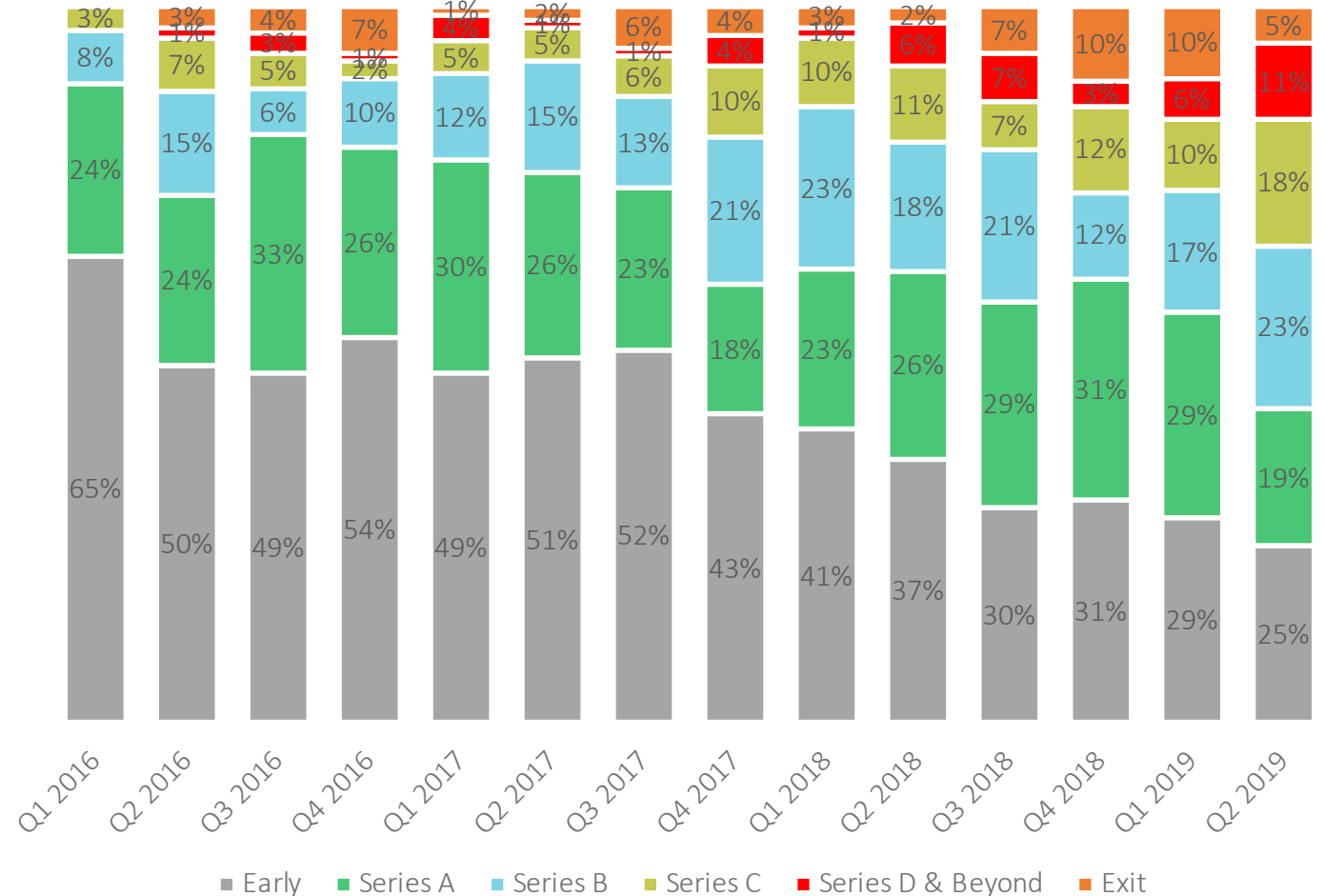
# QOQ ASIA PACIFIC HEALTHTECH FUNDING HISTORY (2016 – H1 2019)

- H1 2019 recorded a total of \$2.5B invested, a downtick of 15% vs H1 2018, excluding the \$1.1B IPO by Ping An Hao Daifu (Good Doctor) outlier and a 61% increase on H1 2017
- Q2 2019 was the 8th consecutive \$1B or more quarter for HealthTech in Asia Pac
- Deal count continued to decrease and finished 50% down vs Q2 2018
- Average deal size in Q2 2019 was \$21.9M, up 38% vs Q2 2018 excluding IPO
- Cumulative deal value since Q2 2016 was \$16.9B



# QOQ ASIA PACIFIC HEALTHTECH DEAL VOLUME SHARE (2016 – H1 2019)

- Quick Facts Q2 2019 deal volume:
  - 25% at Early stage, down 14% vs Q1 2019 and down 33% vs Q2 2018
  - 60% at Growth stage, up 7% vs Q1 2019 and up 9% vs Q2 2018
  - 11% at Late stage, up 83% vs Q1 2019 and vs Q2 2018
  - Exits include 2 M&As and 1 IPOs recorded in Q2 2019 in India and China
- Early stage deal share continued to shrink
- First half of 2019 witnessed an increasing deal share by Series B & C deals, contrasted by Series A deals
- Similar to the US, Growth stage investors continued to be attracted to HealthTech solutions proving the ecosystem's perceived value

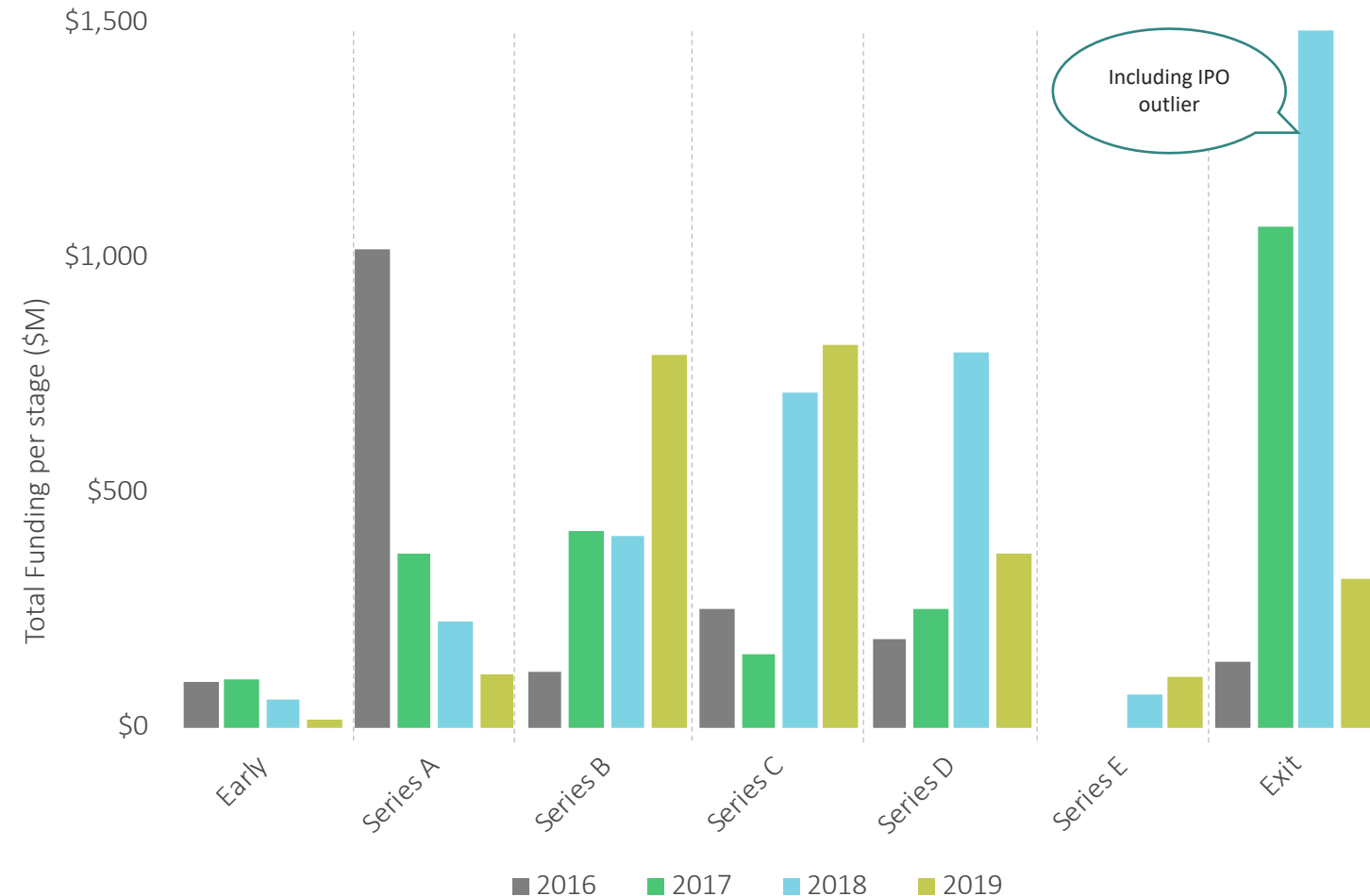


Note: Deals data exclude unspecified funding stage, Exits include M&A, IPOs and Post-IPO rounds

# ASIA PAC HEALTHTECH FUNDING HISTORY (2016 – H1 2019)

- Early stage deals in H1 2019 lost share, now only representing ~25% of all funding rounds by volume, down 33% vs the same period last year
- Early stage average deal value fell to \$530k, down 48%
- Growth stage deals captured 69% of the total funding by value deployed in Asia Pac:
  - Series B deal value doubled in the first half of 2019 with Series C deals up 15%
- Late stage deals value dipped by 45% in H1 2019, to \$480M total, vs H1 2018

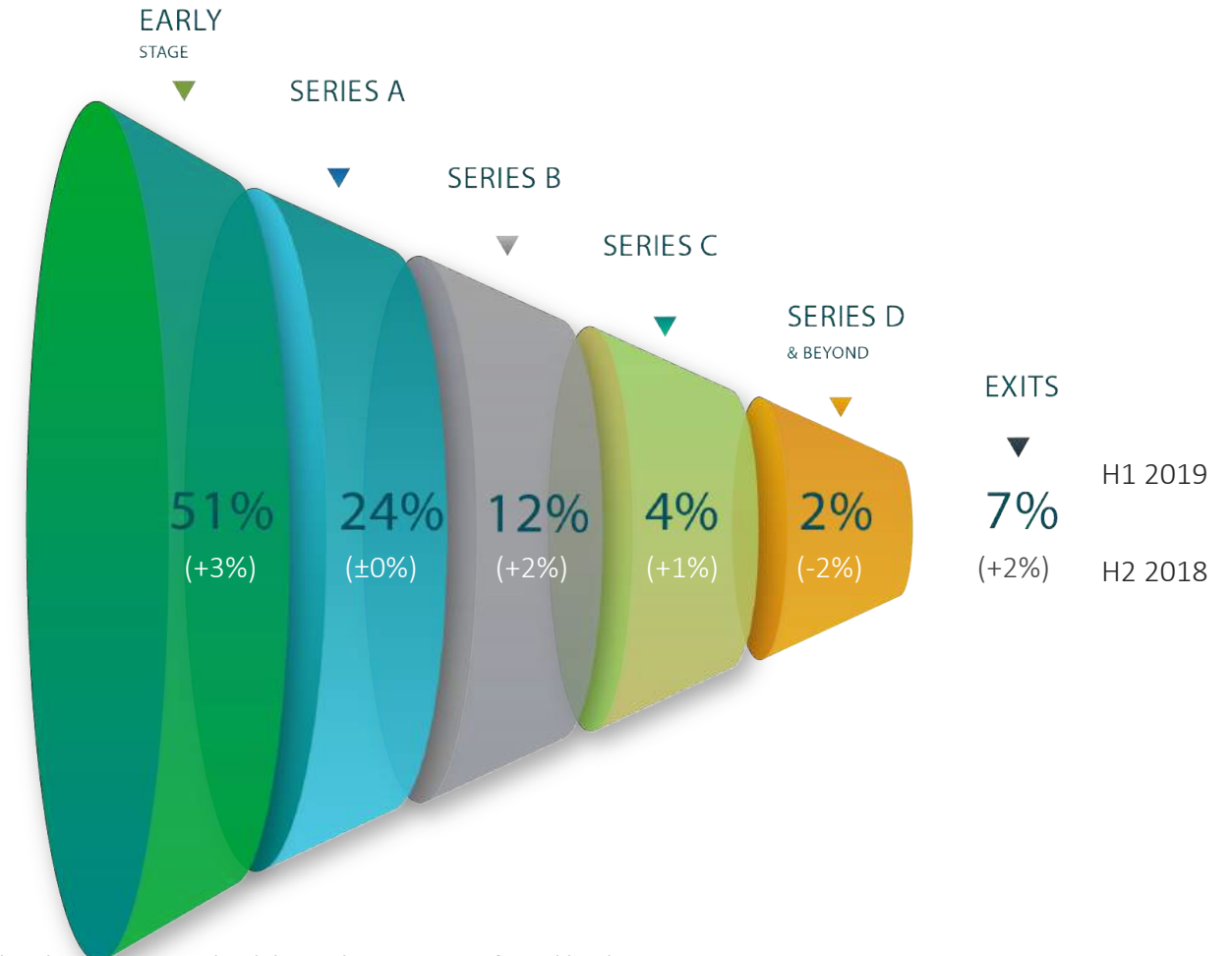
First Half Funding Comparison Only



# ASIA PAC HEALTHTECH PIPELINE H1 2019

The Asia Pac investment funnel stage volume load analysis reveals an expanding pipeline of startups at Early stage whilst Late stage deals continue to track steadily towards joining a growing number of Exits

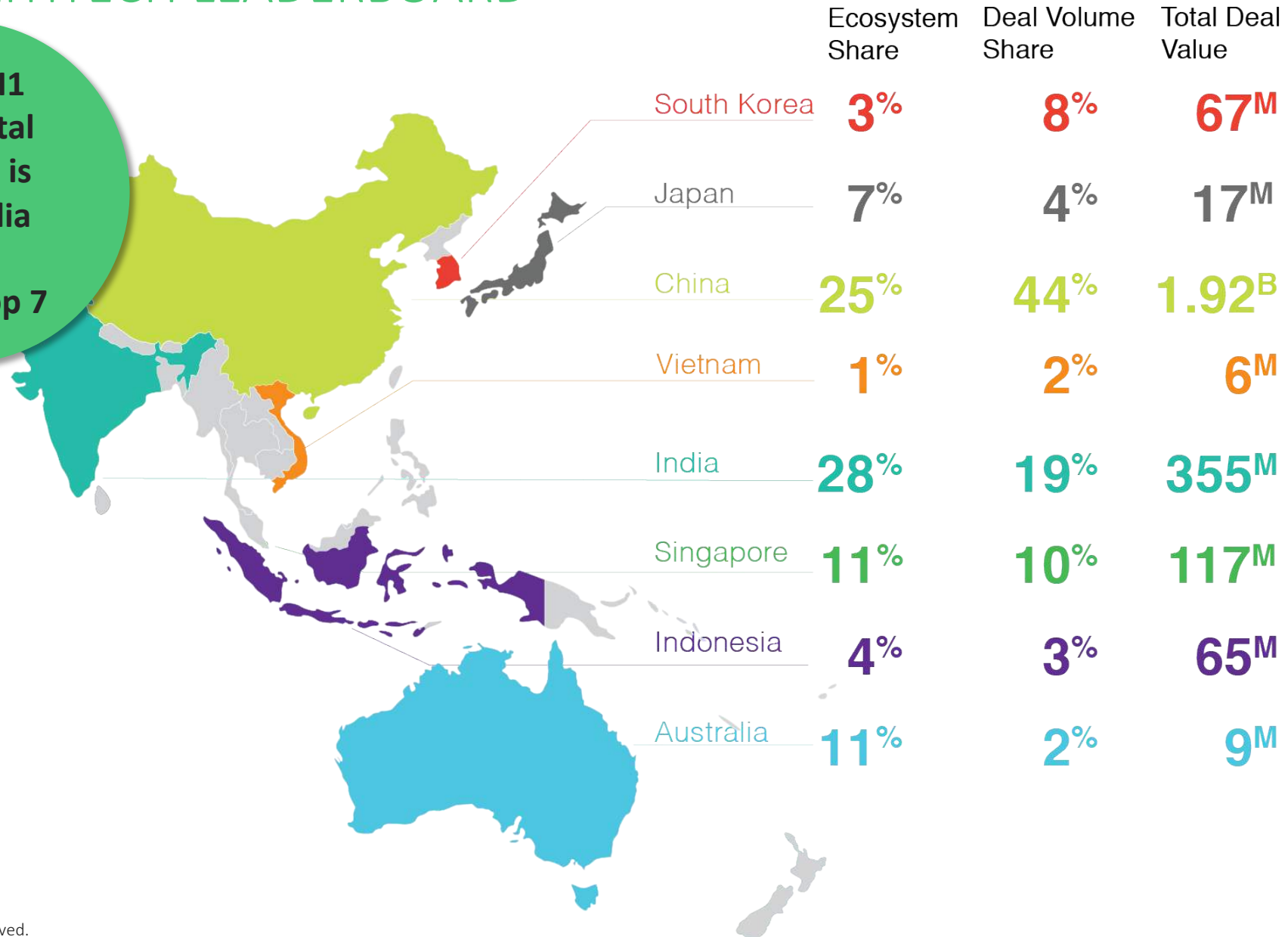
- 51% of HealthTech startups in Asia Pac are at Angel, Seed or Pre-A funding stage, 3% more than H2 2018
- 24% of HealthTech startups are at series A funding stage
- 7 mega deals (rounds equal to or exceeding \$100M) compared to 6 mega deals in 2018
- With a growing number of Exits, Late stage deals (Series D and beyond incl. Exits) lost share, now accounting for just 2%
- H1 2019 recorded a total of 10 exits (IPO, M&A) vs 3 in H1 2018



Note: Figures in brackets represent the delta vs the ecosystem funnel load in H2 2018

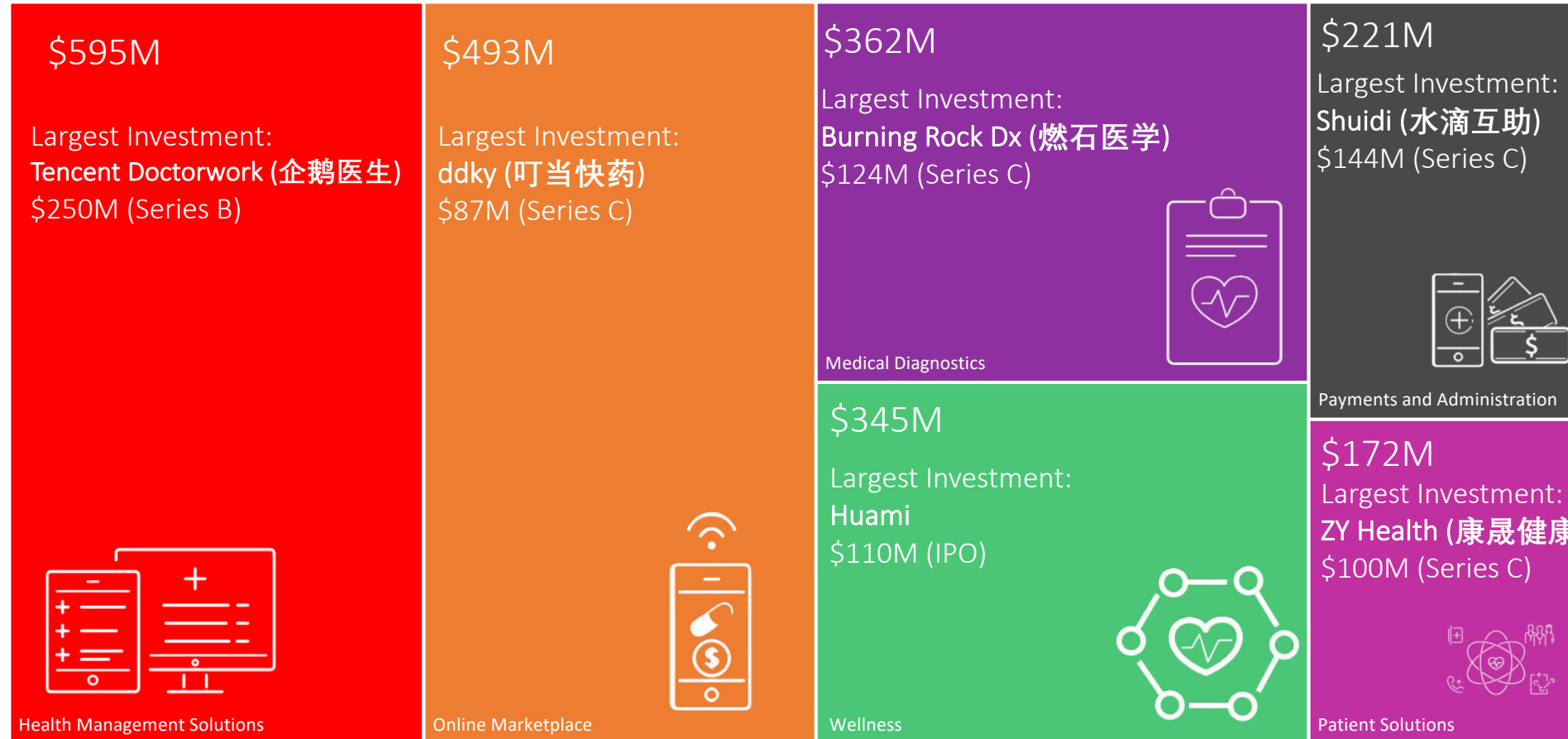
# ASIA HEALTHTECH LEADERBOARD

**China H1 2019 total funding is 5.4x India and 3x the top 7**



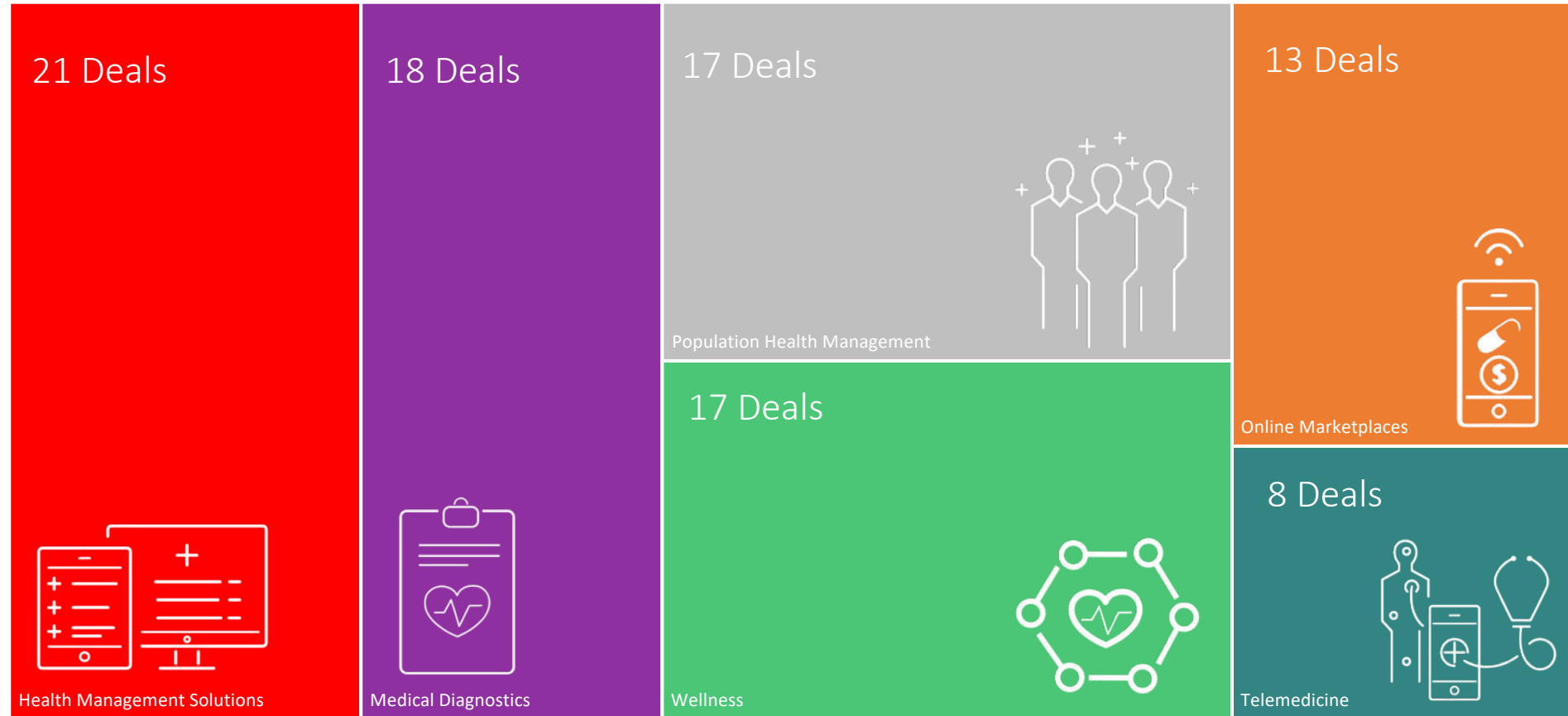
# HEALTHTECH MOST FUNDED CATEGORIES BY VALUE

Although the Online Marketplace and Medical Diagnostics categories continue to maintain their top 3 leadership positions by deal value, Health Management Solutions leapfrogs into the lead



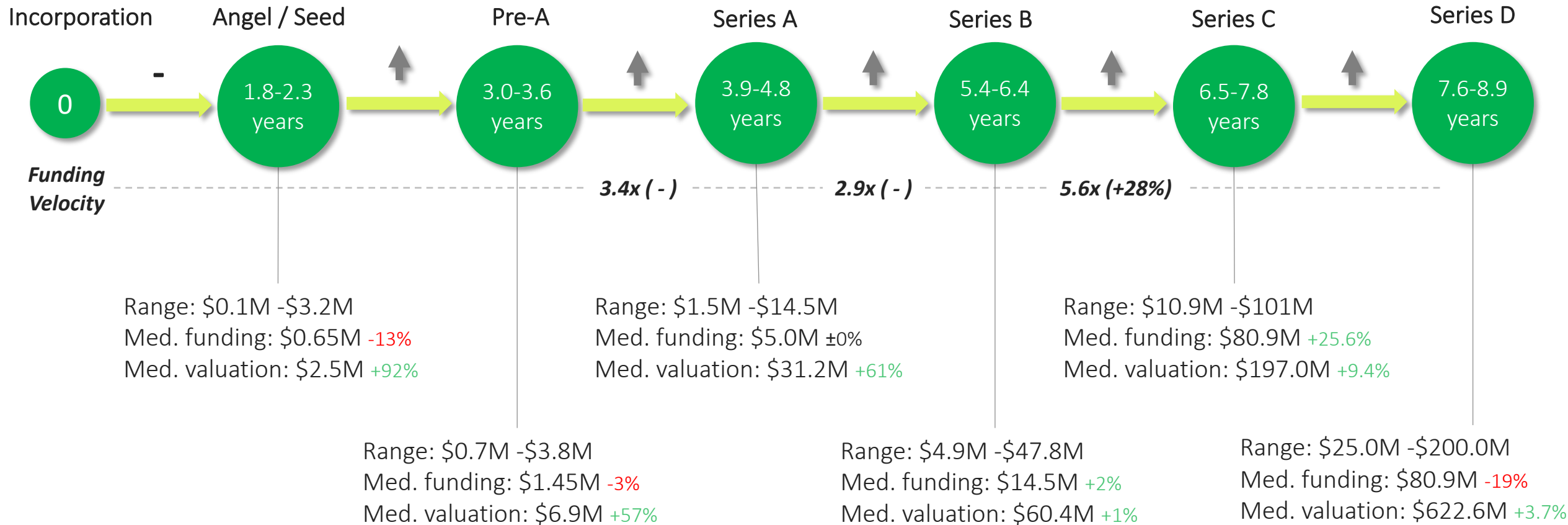
# HEALTHTECH CATEGORY SHARE BY VOLUME

Population Health Management and Medical Diagnostics categories maintain their top 3 leadership position by deal volume, beaten to pole by Health Management Solution and closely followed by Wellness



# HEALTHTECH STARTUP FUNDING LIFE CYCLE

Runways are extending despite median funding at Angel, Seed and Pre-A stages shrinking with Series A is flattening and Growth stage increasing



Note: "Med" indicates median

Note: 1) All numbers exclude outliers 2) Percentages represent delta vs FY 2018 3) Mid stage arrows indicate whether time between stages increased or decreased



**ASIA PACIFIC**

POINT OF VIEW

# OUR POINT OF VIEW

**Asia Pac HealthTech ecosystem momentum continues unabated closing the first half of 2019 at US\$2.5B invested, building on the back of a record breaking 2018.**

**Ahead of the USA by the end of Q1 2019, total dollars to VC-backed HealthTech ventures remained flat at the H1 mark,** versus H1 2018, like for like, across 140 deals, a volume decline of 38%, and despite growing geo-political uncertainty.

**Early stage ventures deal count share and average deal size shrink yet further:** The volume of deals, up to and including Pre-A stage, as a share of all Asia Pac dwindled down to 25%, whereas total Series B and C deal value continued to grow, grabbing 69% of total funding. Will these Growth stage investors struggle to find suitable deal flow with the expanding population of Early and Series A stage ventures not able to access sufficient funds or will they adapt their mandates?

**Asia Pac executes 7 mega-deals:** Asia Pac HealthTech ventures continue to build bulk recording 7 rounds of US\$100M or more, an uptick on H1 2018. Mega-deals account for 32% of total funding in H1 2019.

**China slows, India regains speed and SEA doubles:** With 76% of total Asia Pac HealthTech funding by value (down from 85%), dollars to VC-backed ventures in China shrunk 49% in H1 2019 over the same period in 2018. Are we now seeing the US-China geo-political headwinds, which impacted the IPO scene in late 2018, now significantly impact investor confidence in 2019?

**India's HealthTech ecosystem funding,** which experienced a significant dip in value and volume in Q1 2019, reached a massive US\$383M, suggesting it will surpass 2018's total to be its biggest year historically.

New in this report, we take a closer look at **SE Asia** which doubled its invested total in H1 2019 compared to the same period last year, and was seemingly a net winner of the trade war.

**Reshuffling at the top for most attractive categories:** Although Medical Diagnostics and Online Marketplace both remained amongst the most attractive categories, Population Health Management tumbles out of the top 5 to be replaced by Health Management Solutions. Wellness continues its ascent and, new to the grid, Payments & Administration, benefitting potentially from a focus set by JP Morgan's acquisition of InstaMed in the US.

**Coping with the US-China trade war:** Despite the flurry of headlines both in the USA and China, HealthTech investors, startups and corporations are, for the majority reporting not to be impacted. In fact, a previously discussed key driver of growth continued to witness a growing number of strategics, both incumbents and new entrants, striking commercial partnerships with the region's most promising ventures.

**Frothy or not:** With the ever-growing funding deployed and the underweight exit market, we scrutinise digital health deals in the region to check on whether venture creation is tracking with investment trends. Our assessment of H1 2019 deal activity concludes that the ecosystem is not experiencing frothiness, but we have flagged a very small number of deals as dislocating the valuation to fundamentals relationship.

**Industry and investor sentiment for HealthTech in Asia Pac continues to be very favourable:** Over 90% of investors and enterprise business leaders recently surveyed confirmed that HealthTech continues to be a high priority with each stakeholder group confirming that they are more bullish about HealthTech in 2019 than in 2018. Investors did express concern about future deal flow access which may see them adapting their strategies.

**Previously reported headwinds have not majorly impacted the Asia Pac ecosystem momentum:** Galen Growth Asia expects the Asia Pac HealthTech ecosystem to continue on its trajectory in 2019. The geopolitical uncertainty witnessed in H2 2018 has evolved. India's general election has completed, and investor confidence has returned as evidenced by the ~45% jump in all sector venture funding in that country. Although China will remain dominant in the region, the total deal value and count downward trend is of concern.

# IMPACT OF US-CHINA TRADE WAR

*Chinese direct investment in the U.S. plummeting 90 percent in the past two years, according to a Rhodium Group report, so will we see more deals by Chinese investors at home and potentially across the region in 2019?*



PatientsLikeMe, a US online patient community portal, sold a majority stake to China's iCarbonX (backed by Tencent) in 2017 so it could take advantage of the Chinese company's technology and raised more than \$100M in a series C round where iCarbonX acted as lead investor.

In April 2019, PatientsLikeMe's Chinese divestiture was forced by the by the Committee on Foreign Investment in the United States (CFIUS), which surprised the global HealthTech ecosystem.

The divestiture impact was such, that PatientsLikeMe was forced to find a buyer and landed UnitedHealth.

UnitedHealth Group, a provider of healthcare coverage and benefits services, acquired PatientsLikeMe in June 2019 with the latter becoming part of UnitedHealth's research arm.



Tencent-backed We Doctor reversed its plans to list abroad, citing international disclosure requirements as weighing on the data-centric venture, particularly when there may be more value in government contracts than in an international IPO.

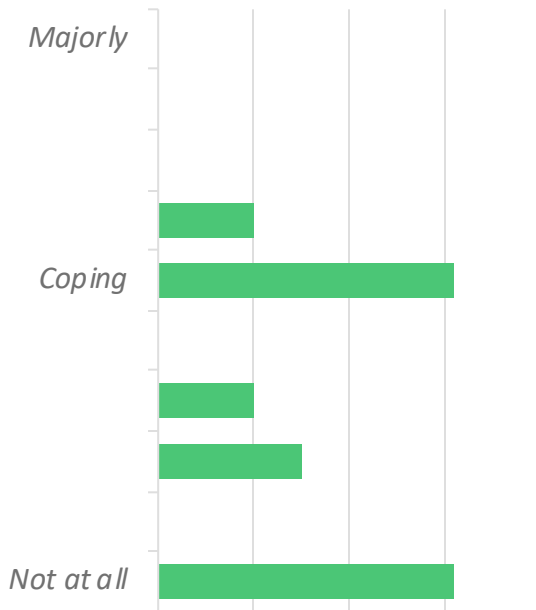
Market sentiment is that the tussle between the opposing forces of working with the Chinese government vs taking international money has become a polarised choice within the expanding trade and tech war between the US and China.

We Doctor's CEO said the parent company intended listing overseas, but that its immediate focus was on a domestic listing. These include divesting units, reversing them into shell companies and listing them on the soon to launch Shanghai Technology & Innovation Board.

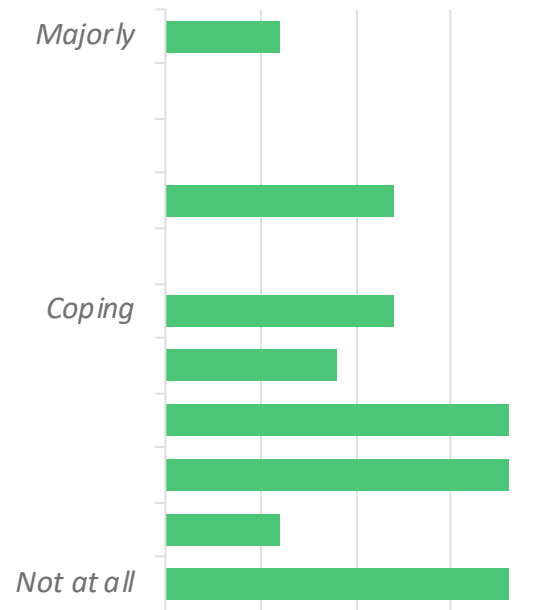
# IMPACT OF US-CHINA TRADE WAR

Despite the flurry headlines and tweets, HealthTech investors, startups and corporations are reporting that, in the majority, they are not at present being impacted by the US-China trade war

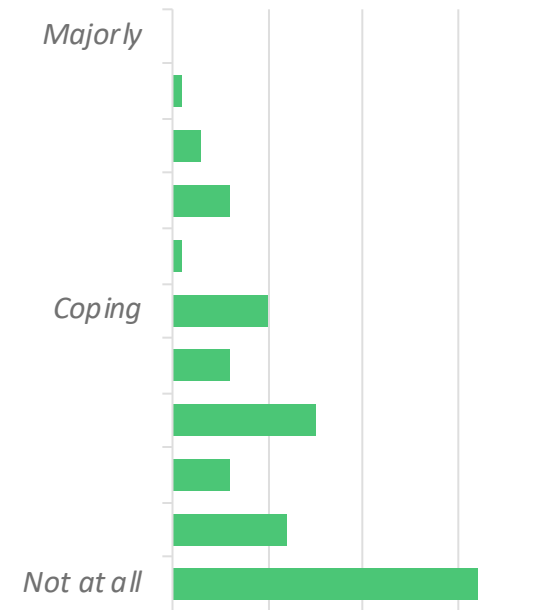
## Impact on Investors



## Impact on Corporates



## Impact on Startups

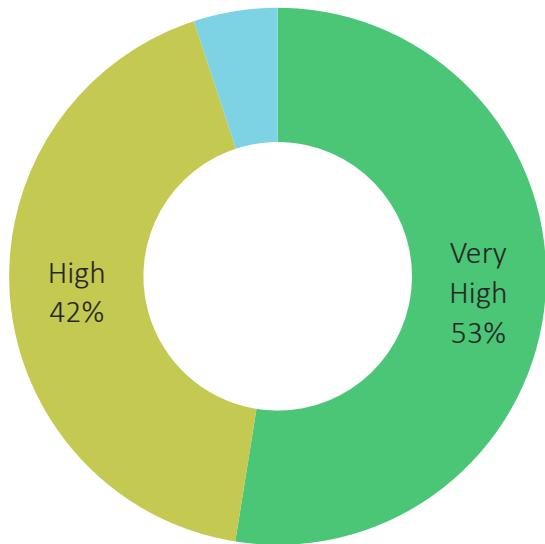


Source: Galen Growth Asia - AsiaPac HealthTech Sentiment Survey – June 2019

# H1 2019 ASIA PAC HEALTHTECH INVESTOR SENTIMENT

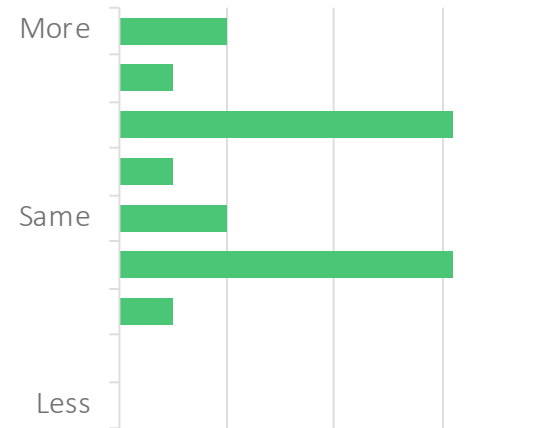
Investors in HealthTech are increasingly bullish about digital health in Asia Pac and, subject to improving their deal flow access, will invest in the ecosystem in 2019

## Importance of HT to investors

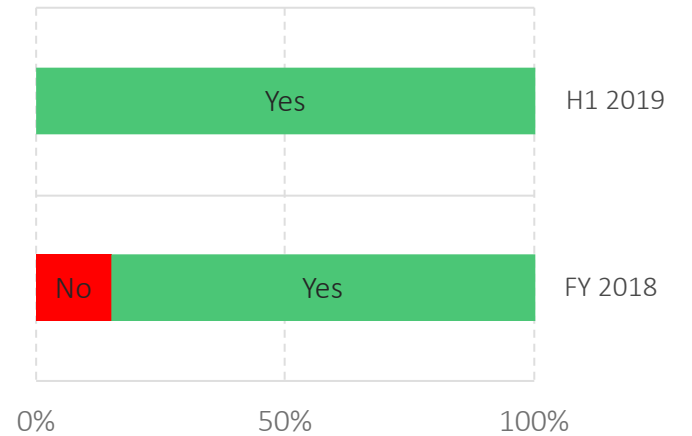


Source: Galen Growth Asia - Asia Pac HealthTech Sentiment Survey – June 2019

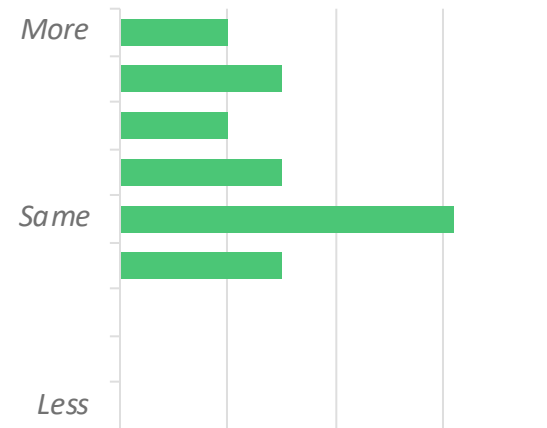
## Interest level in HT vs 2018



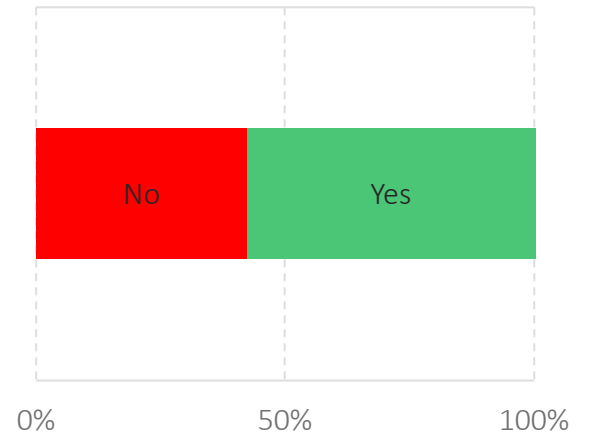
## Likelihood of investing in Asia HT in 2019



## Organization Bullishness 2019 vs 2018



## Is deal flow access a challenge?









# FROTH WATCH VERDICT: NOT FROTHY

With the surge in funding, and a nascent exit market, there is growing scrutiny on digital health in the region, leading some investors and strategics to ask the question: will venture creation continue to track with investment trends in the sector?

- As HealthTech rapidly becomes a significant share of total Asia Pac venture capital asset class, funding will be increasingly tied to macro-economic cycles as outlined in our Full Year 2018 report
- If and when capital becomes harder to come by, HealthTech ventures will have to prove that they can deliver under their own steam

Legend:



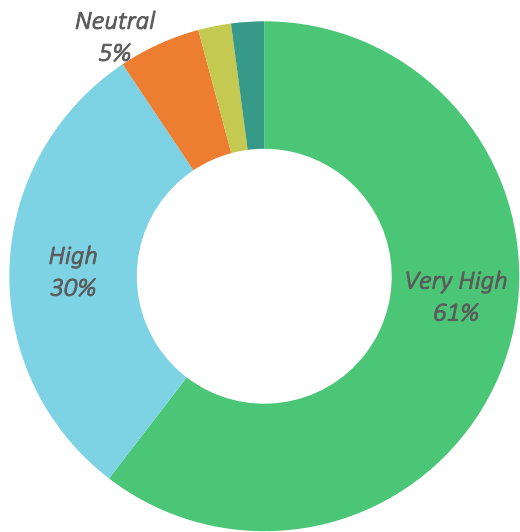
Frothiness Indicator	How Asia Pac HealthTech measures up?	Our Prognosis
<b>Hype supersedes business fundamentals</b>	<ul style="list-style-type: none"> <li>• Startups must figure out how to navigate biz dev, regs and scale in a complex industry. Entrepreneurs are actively moving towards sustainable business models</li> </ul>	
<b>High cash burn rates</b>	<ul style="list-style-type: none"> <li>• Startups are raising cash reasonably quickly, due to the availability of capital and growth needs</li> <li>• Average time span between investment rounds remains steady</li> </ul>	
<b>Unclear exit pathways</b>	<ul style="list-style-type: none"> <li>• Single digit sector IPOs since 2016; M&amp;A is a more reliable exit strategy and is on the up</li> </ul>	
<b>Surge of cash from new investors</b>	<ul style="list-style-type: none"> <li>• Digital health in Asia Pac has witnessed a growing number of new crossover investors entering the space of late</li> </ul>	
<b>High valuations decoupled from fundamentals</b>	<ul style="list-style-type: none"> <li>• Few unicorns</li> <li>• Investment rounds growing sensibly with steady frequency</li> </ul>	 China only
<b>Fraud or misuse of funds</b>	<ul style="list-style-type: none"> <li>• No signs of exuberance and no scandals e.g. Theranos</li> </ul>	

Note: Adapted from the Rock Health published framework

# H1 2019 ASIA PAC HEALTHTECH CORPORATE SENTIMENT

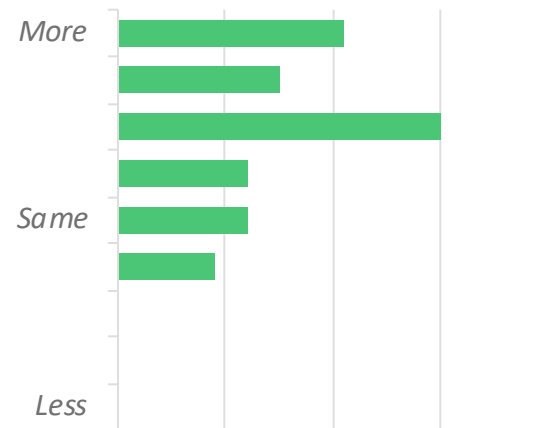
Corporations have been focused on setting themselves up for success to meet their bullish interest in HealthTech in Asia Pac and increase the number of partnerships they plan to build with startups in the region

## Importance of HT to your industry

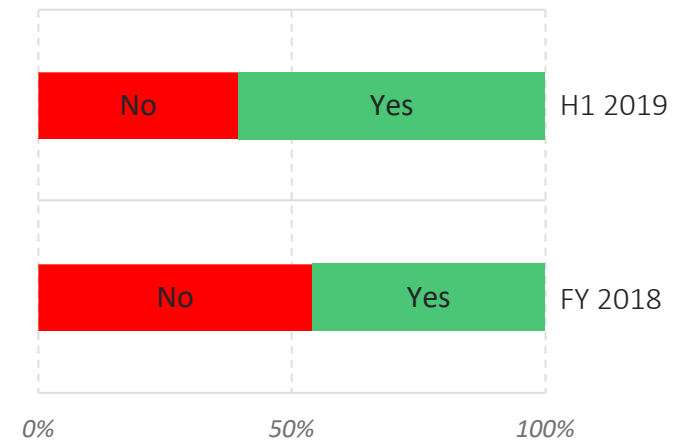


Source: Galen Growth Asia - Asia Pac HealthTech Sentiment Survey – June 2019

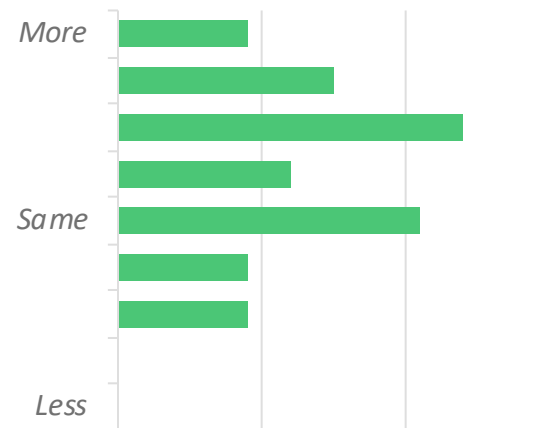
## Organization interest level in HT vs 2018



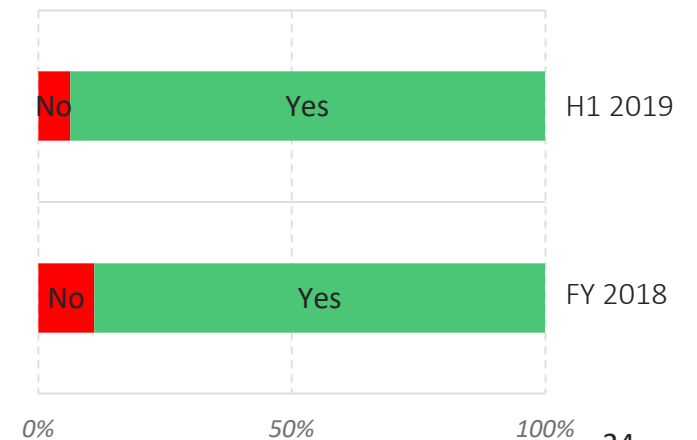
## Set up to engage successfully w/ Asia HT



## Organization Bullishness 2019 vs 2018



## Build more partnerships in 2019 vs 2018



# H1 2019 NOTEWORTHY PARTNERSHIPS

Not exhaustive



Novo Nordisk, a Danish pharmaco, announced its partnership with Health2Sync, a Taiwanese startup



Cipla, an Indian pharmaco signed a partnership with Wellthy Therapeutics, an Indian startup



Janssen, a Division of Johnson & Johnson, signed a partnership with Holmusk, a Singapore startup



Wyeth Nutrition, a part of the Nestle Group, signed a partnership with Ping An Good Doctor, China's one-stop healthcare platform



Swisscom, a Swiss telecom provider, signed a partnership with HiNounou, a Chinese wellness solution for seniors

# CHINA

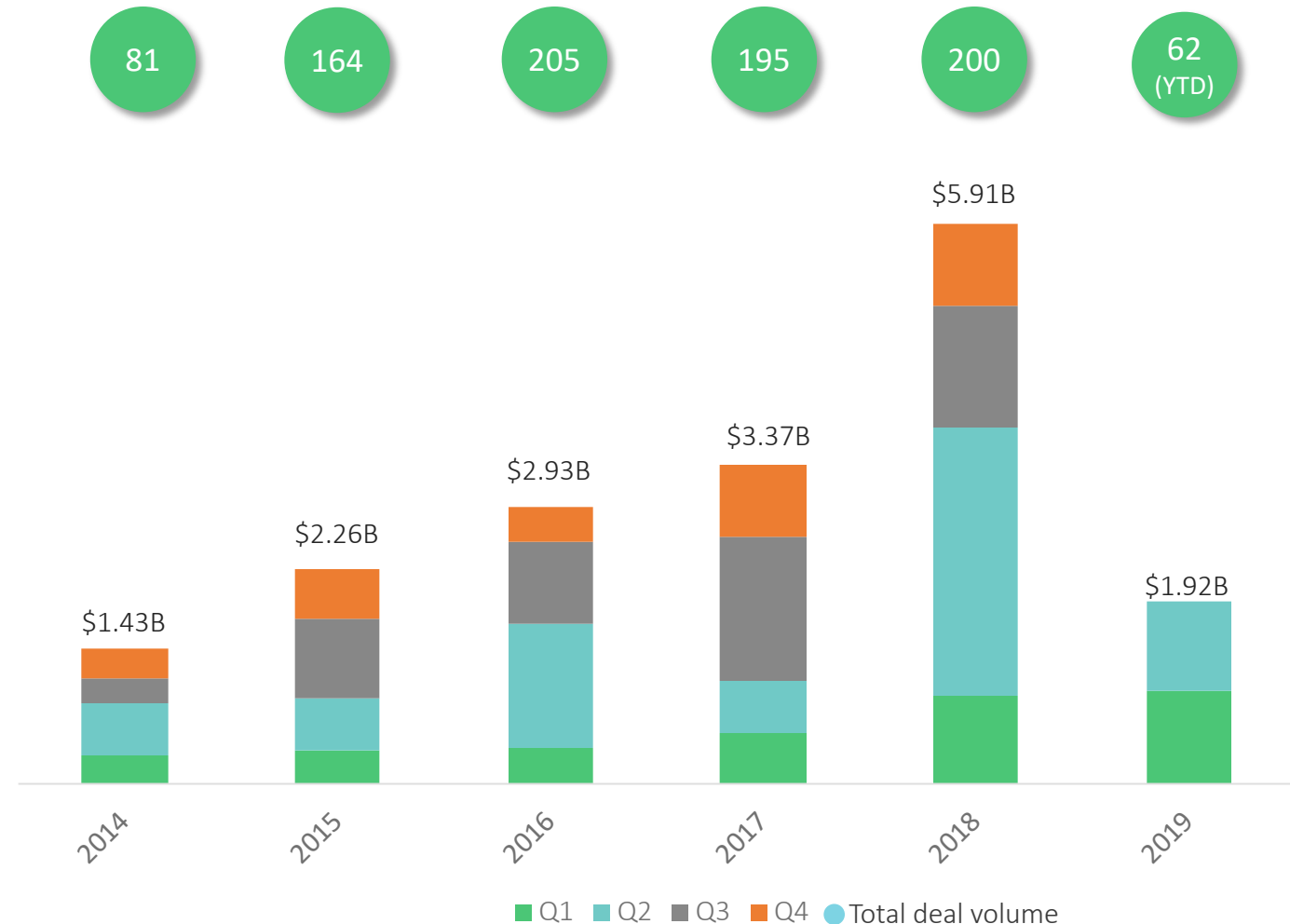
## INVESTMENT

## TRENDS



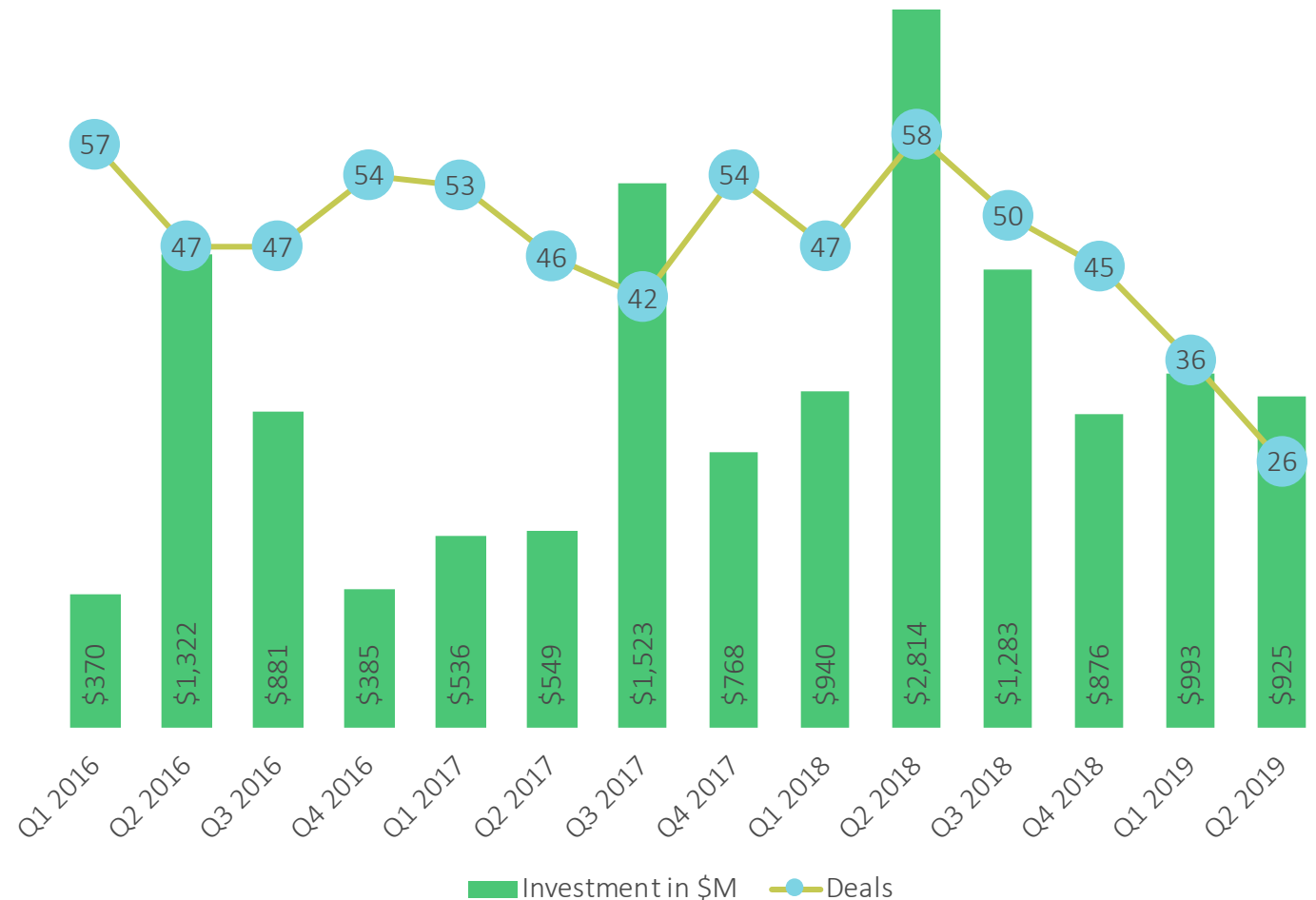
# YOY CHINA HEALTHTECH FUNDING HISTORY (2014 – H1 2019)

- H1 2019 recorded a total of \$1.92B invested compared to \$3.75B in H1 2018, down 49%
- When excluding the outlier \$1.12B IPO by Ping An Good Doctor, total H1 2019 funding decreased by 27%
- With 62 deals executed in H1 2019 in China, investment volume is down 41% from H1 2018
- H1 2019 average deal value in China is \$31.0M, up 23% from H1 2018 \$25.3M when excluding the outlier
- Cumulative deal value since 2016: \$14.1B



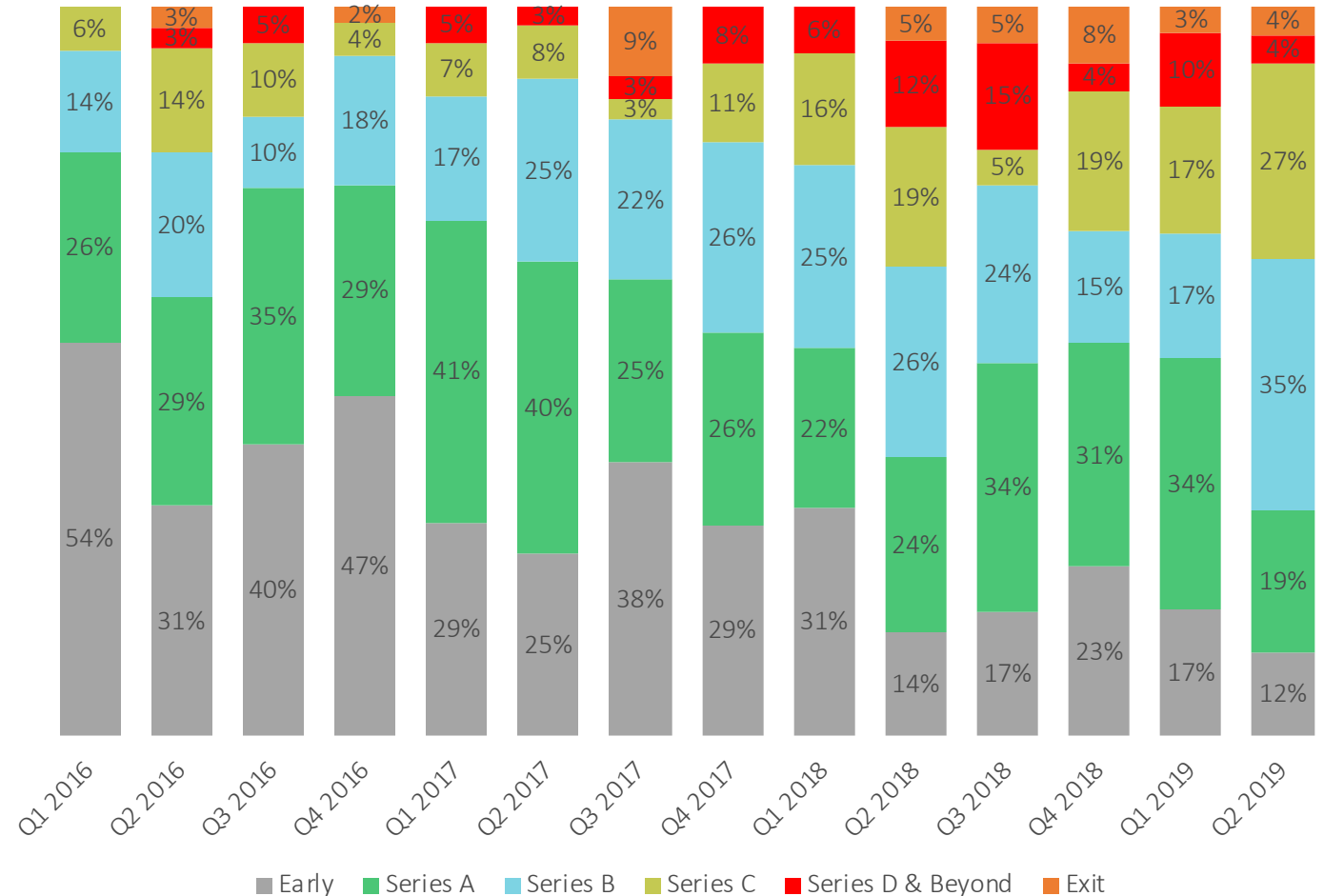
# QQQ CHINA HEALTHTECH FUNDING HISTORY (2016 – H1 2019)

- Q2 2019 deal count is the lowest quarter ever recorded in China representing a 55% decrease compared with the same quarter of last year
- Funding activity for Q2 2019 recorded a total of \$925M, a 45% decrease when excluding the IPO outlier deal: Ping An Good Doctor's of Q2 2018, however strong and stable with Q1 2019
- Average deal value for Q2 2019 is \$35.6M, an increase of 20% from \$29.7M in Q2 2018
- Are we witnessing the impact on investor appetite from the US-China trade war (started July 2018)?



# QOQ CHINA HEALTHTECH DEAL VOLUME SHARE (2016 – H1 2019)

- Quick Facts Q2 2019 deal volume:
  - 12% at Early stage, down 14% vs Q2 2018 and down 52% vs Q2 2017
  - 81% at Growth stage, up 17% vs Q2 2018 and up 11% vs Q2 2017
  - 4% at Late stage, down 66% vs Q2 2018 and up 33% vs Q2 2017
  - 1 IPO in Q2 2019
- Early stage deal share squeeze in Q2 2019 compressed by strong activity in Growth stage, representing similar pattern to Q2 2018
- In contrast with Growth stage strong activity especially in Series B & C stages, but Late stage deals shrunk



Note: Deals data exclude unspecified funding stage

## CHINA DEAL SIZE DISTRIBUTION (2014 – H1 2019)

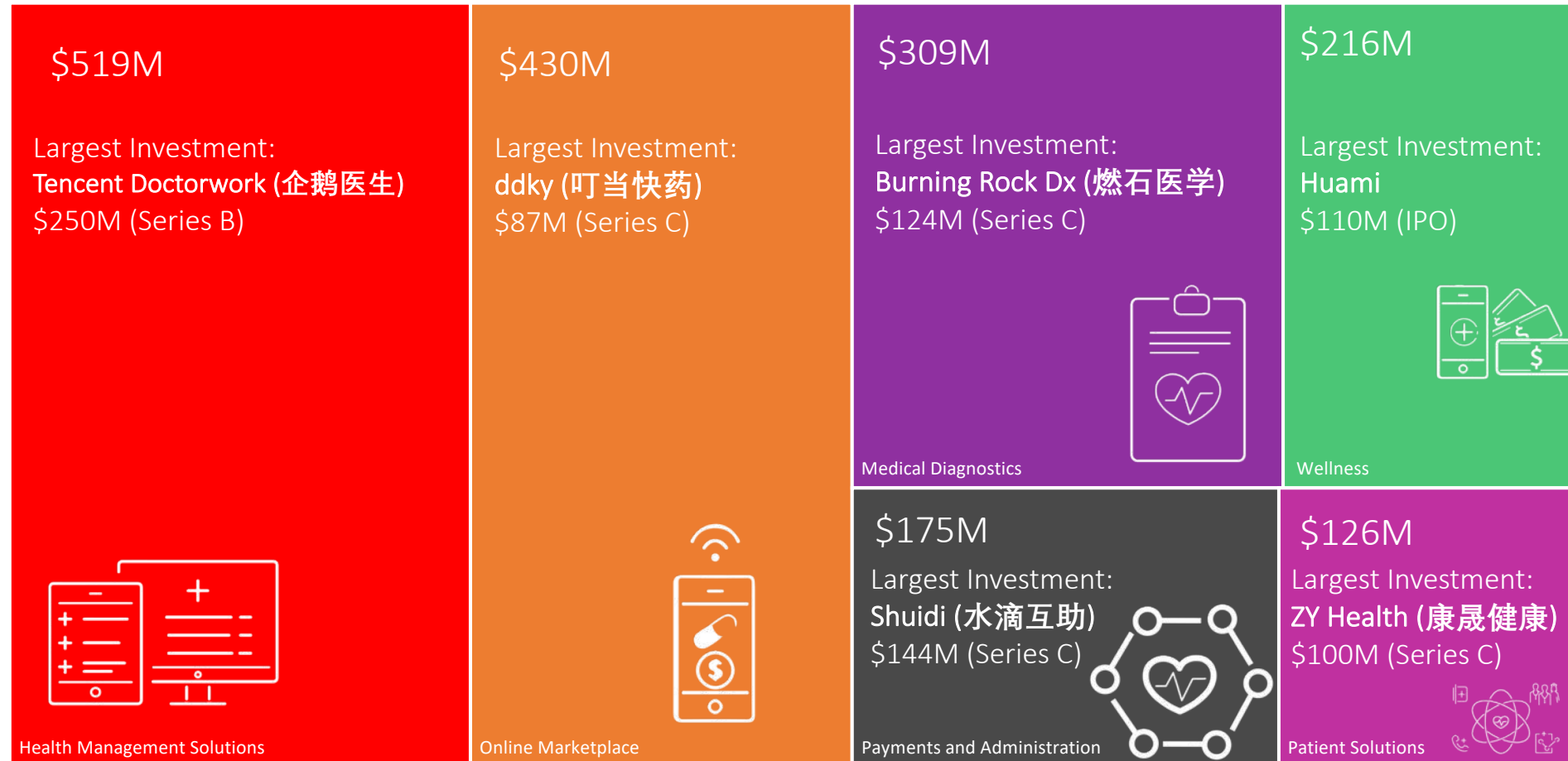
- Share of deals of <\$1M has regained momentum in H1 2019 vs 2018 but remained low potentially indicating that deal size in China increasingly exceeds \$1M
- Whilst the average deal value size share range of \$1M to \$10M fell to its lowest level in H1 2019, deal value between \$50M and \$150M hit a peak, reflecting the bigger tickets from investors
- The share of mega-deals (>\$150M) grew in H1 2019 vs 2018 to the detriment of deals exceeding \$500M

	<1M	>1M	>10M	>50M	>150M	>250M	>500M
<b>2019</b>	9%	22%	24%	20%	2%	2%	0%
<b>2018</b>	2%	26%	21%	13%	1%	1%	1%
<b>2017</b>	6%	35%	22%	6%	2%	0%	1%
<b>2016</b>	15%	28%	20%	4%	1%	1%	1%
<b>2015</b>	15%	35%	22%	4%	0%	2%	0%
<b>2014</b>	18%	33%	16%	13%	1%	0%	0%

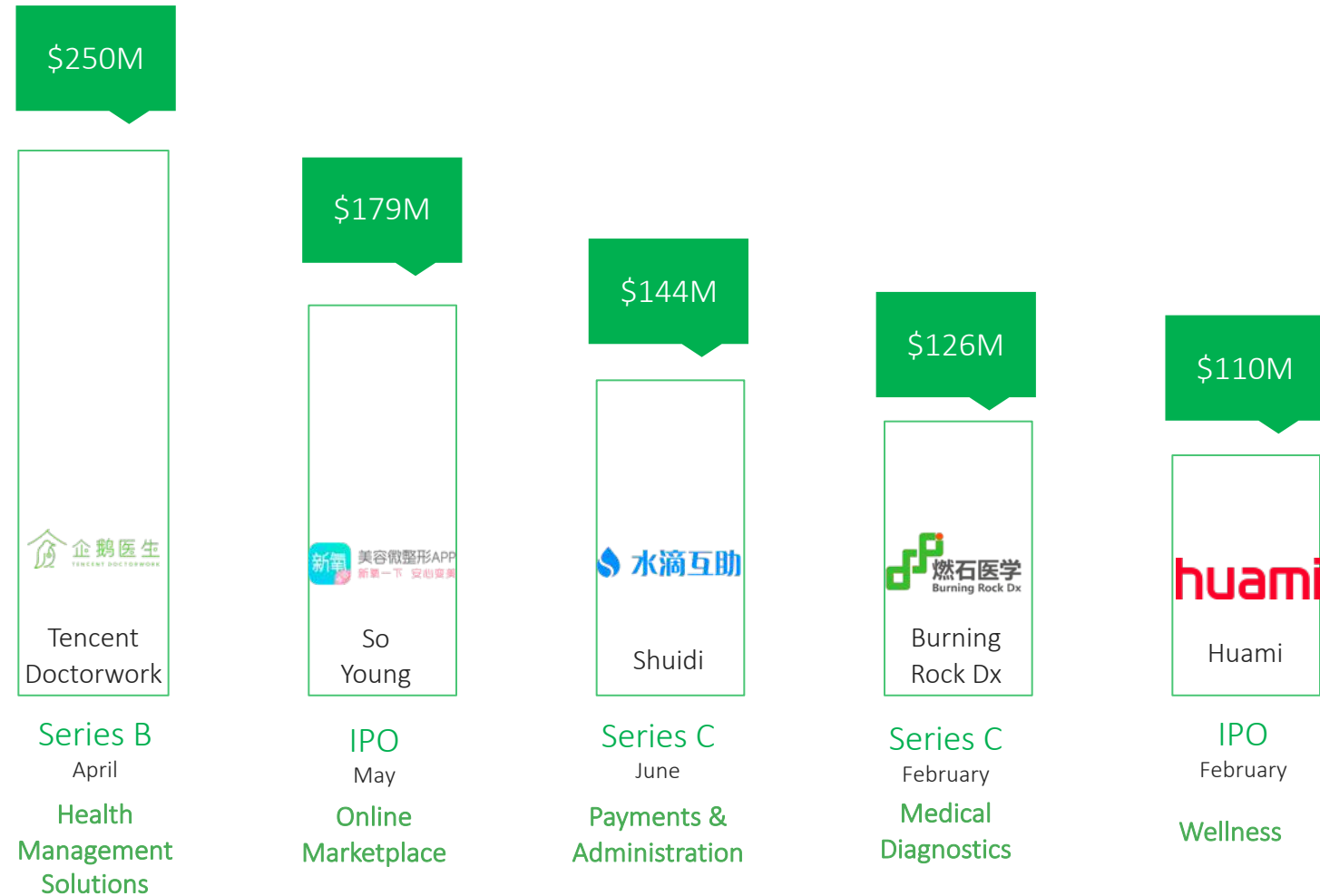
\*Note: Annual totals do not add up to 100% due to undisclosed deals

# CHINA HEALTHTECH MOST FUNDED CATEGORIES BY VALUE

Whereas the Online Marketplace and Medical Diagnostics categories remain amongst the top three by deal value, Health Management Solutions steps into pole with new kid Payments & Administration races into fourth



# H1 2019 CHINA HEALTHTECH TOP 5 MEGA DEALS



# 2019 CHINA HEALTHTECH VENTURE SPOTLIGHT

## Tencent Doctorwork Beijing, China

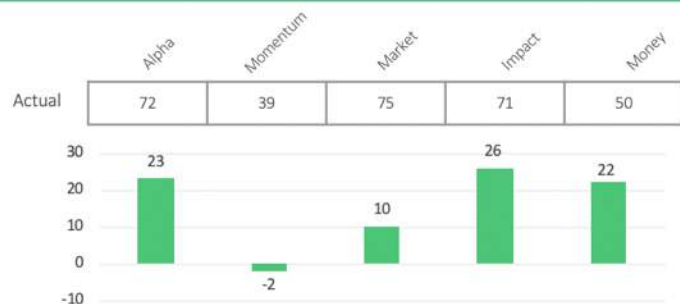
### DESCRIPTION

- A digital health service enterprise with Internet plus entity medical care development, jointly established by Tencent, GAW capital, Medlinker, and Sequoia Capital China
- It is committed to adhering to the reform on China's medical and health industry driven by the Internet technology and provides quality and safe health management services for Chinese people.

### MANAGEMENT

Name / Title	Background
Shirui Wang (Founder and CEO)	Doctor and Entrepreneur

### HEALTHTECH ALPHA ASSESSMENT



### PRODUCT DESCRIPTION

- Health screening terminal that provides its users with rapid, convenient and professional services such as urine routine test, ovulation phase detection and early pregnant detection. Users can check the result of their body fluid test through the Tencent health APP, Mini Programs and Tencent Doctorwork Subscription Account
- Clinic management systems, WeClinic and Tencent Medical

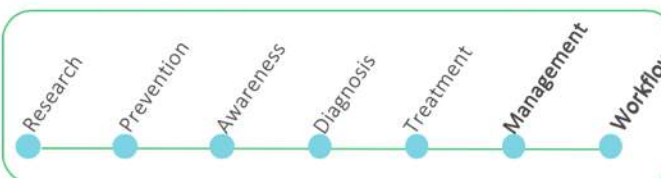
### HEALTHTECH CATEGORISATION & CLASSIFICATION

HEALTHTECH CATEGORY



Health Management Solutions

HEALTH VALUE PROPOSITION



TECHNOLOGIES

- Analytics
- Mobile Application
- Software solutions

### ESTIMATED VALUATION

US\$ 1.04B

### INVESTMENT HISTORY

Date	Investors	Stage	Amount
04 / 2019	Country Garden Holdings, Sequoia Capital China, Tencent Holdings	Series B	US\$ 250 M
01 / 2017	Sequoia Capital China	Series A	US\$ 1.45 M
07 / 2016	Tencent Holdings	Angel	US\$ 1.45 M

### RELATIONSHIPS

- Health Hope
- CapitalBio MedLab
- CR SanJiu
- XiaoYuSan
- ICUBIO
- SYTOWN
- Generali China

### COMPETITIVE LANDSCAPE

- HS Yuntai
- CLEAR
- Kingdee



A woman in a colorful sari with orange, purple, and white patterns is standing on a set of wide, weathered stone steps. She is looking out over a large body of water under a bright, clear sky. The sun is high, creating a strong lens flare effect. The steps are made of large, rectangular stone blocks. The overall scene is bright and serene.

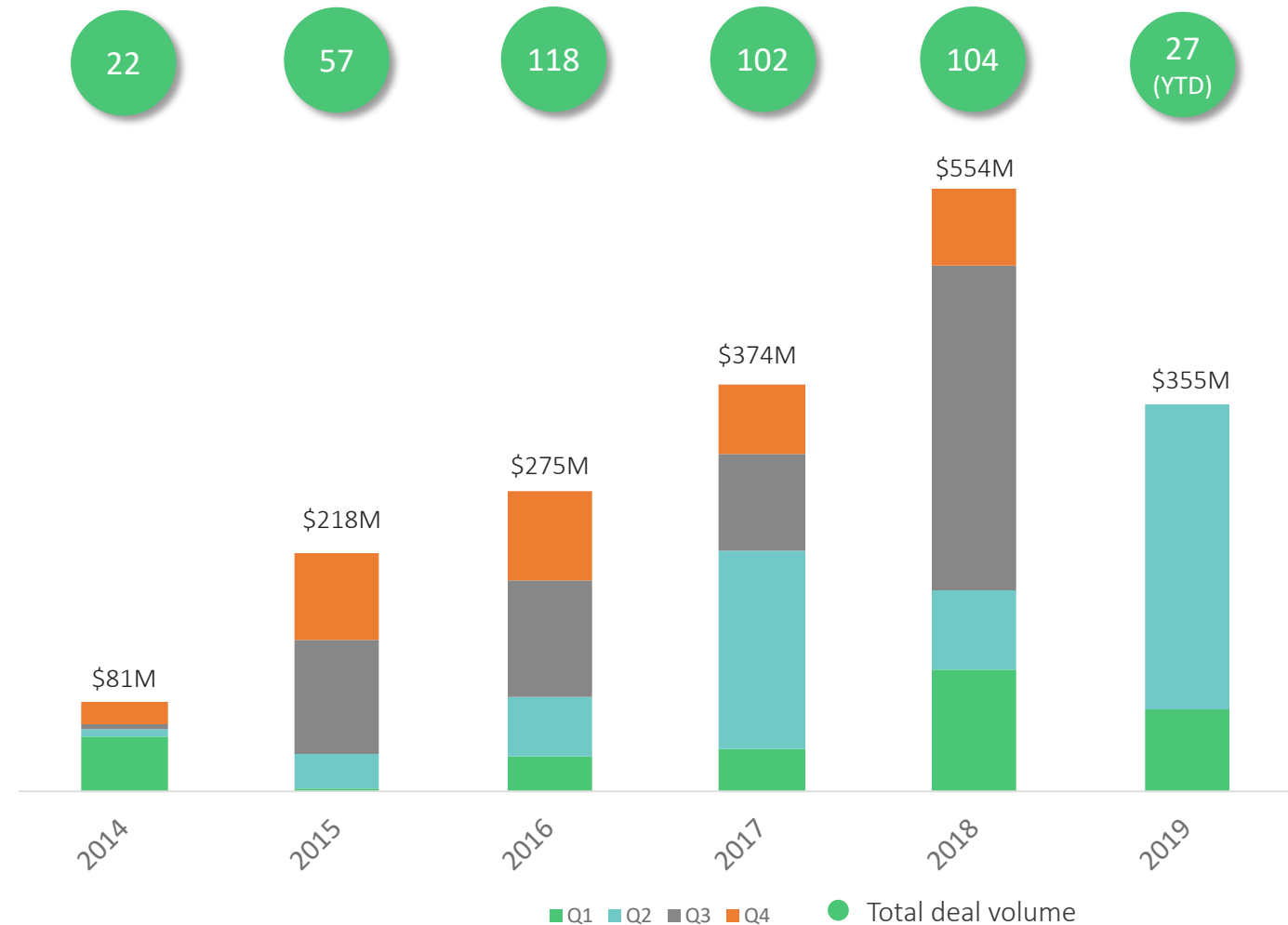
**INDIA**

INVESTMENT

TRENDS

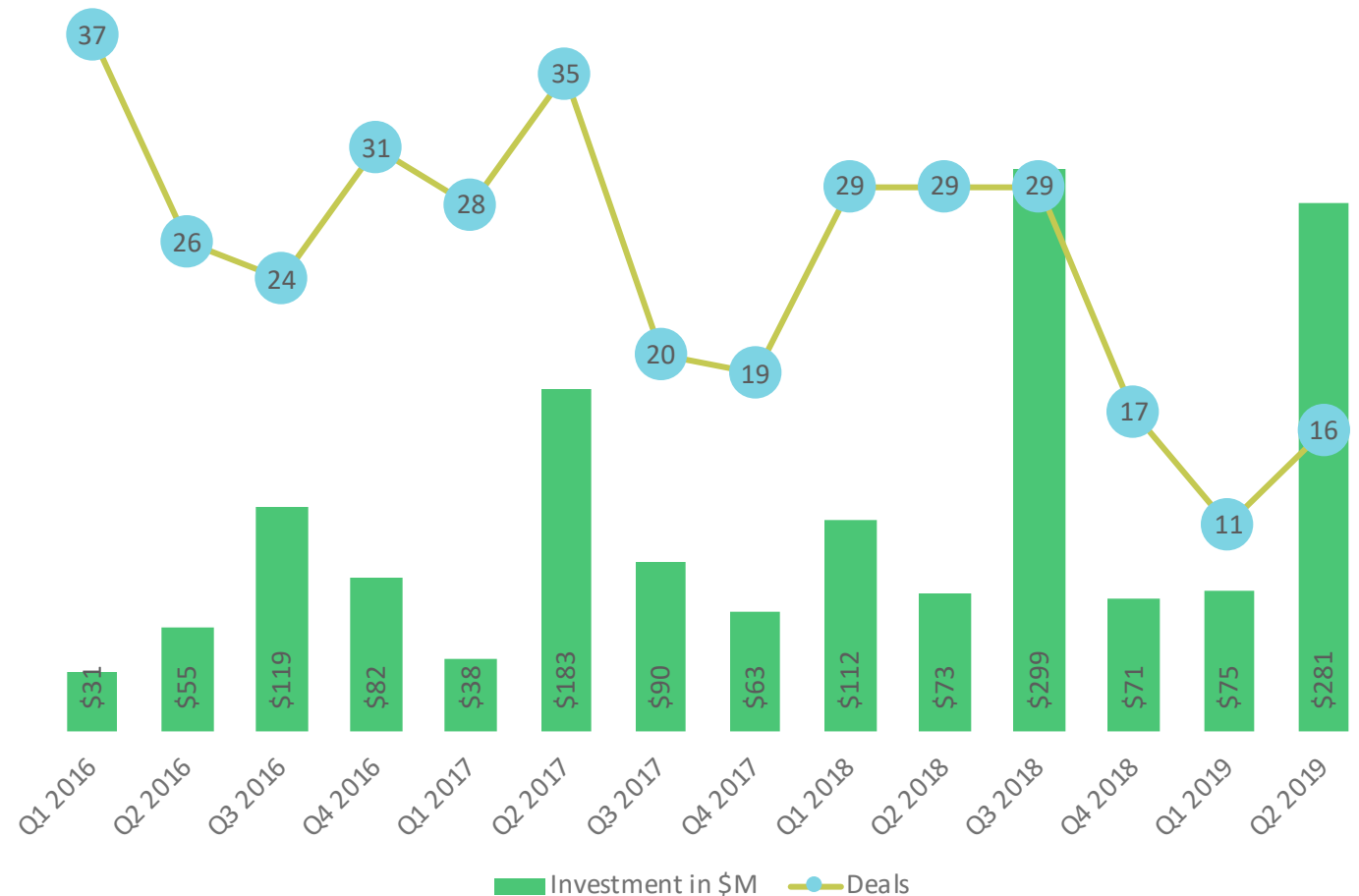
# YOY INDIA HEALTHTECH FUNDING HISTORY (2014 – 2019)

- With the 2019 general election out of the way, funding activity in Q2 has accelerated after a very poor Q1
- H1 2019 funding deployed reached a record \$355M, suggesting the possibility of surpassing 2018's total biggest year historically
- H1 2019 deal count lost momentum with 27 deals executed, down from 58 in the same period last year
- Cumulative deal value since 2016 is \$1.57B
- Fueled by a number of noteworthy Late stage deals, India is on course for another record breaking year



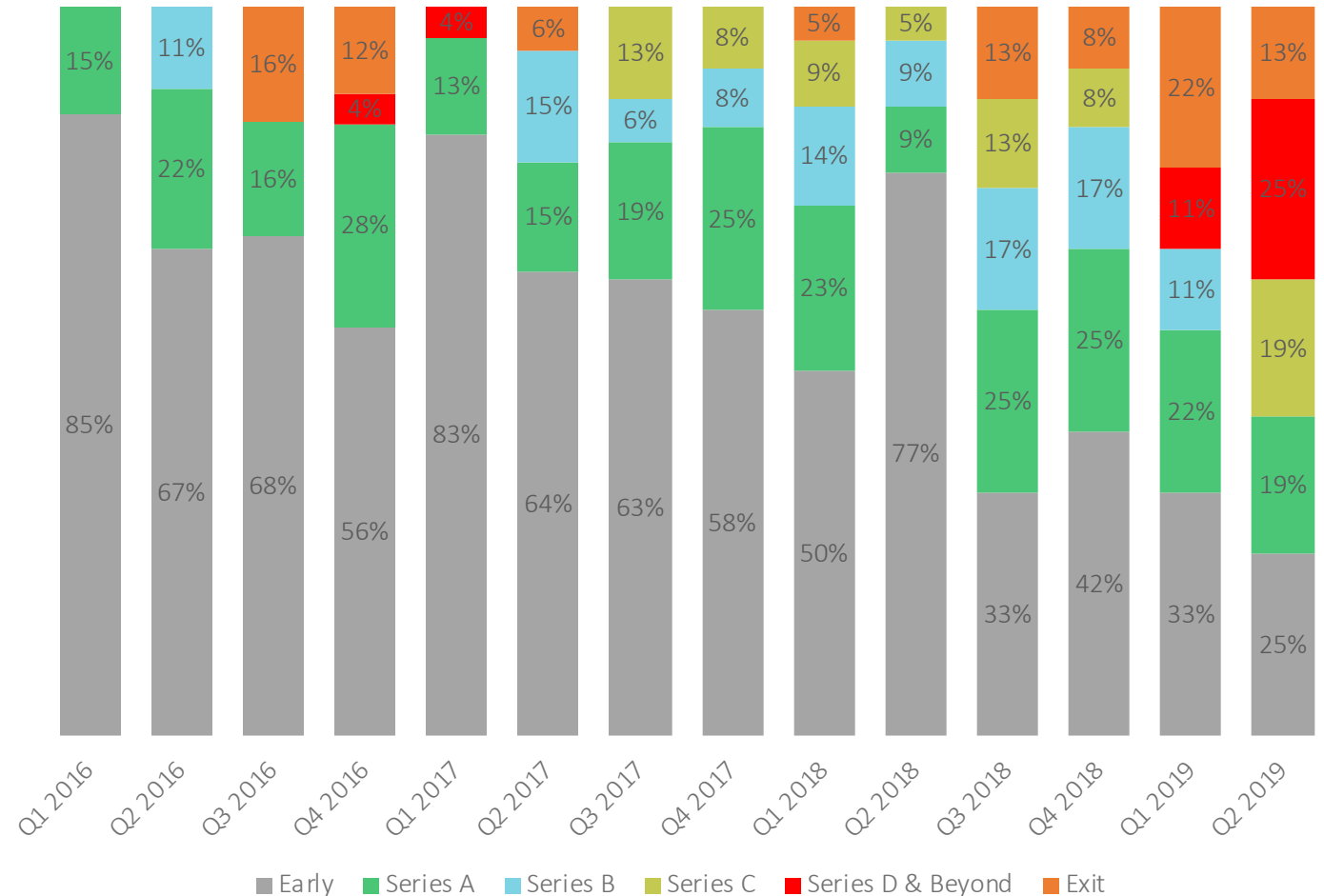
# QOQ INDIA HEALTHTECH FUNDING HISTORY (2016 – H1 2019)

- Q2 2019, closed at \$281M almost snatching the title of being India's biggest funding quarter
- Strong comeback from two previous weak quarters in value which could be attributed to market uncertainty associated to the general election and the "angel tax" concerns
- Average deal value in Q2 2019 accelerated to \$17.6M, up 7x from the \$2.5M in Q2 2018, potentially indicating a trend towards bigger tickets
- Q2 2019's significant increase in average deal value is driven by 2 notable deals exceeding \$70M namely, Wellness One-Stop Platform cure.fit and Online Marketplace 1mg



# QOQ INDIA HEALTHTECH DEAL VOLUME SHARE (2016 – H1 2019)

- Quick Facts Q2 2019 deal volume:
  - 25% at Early stage, down 67% vs Q2 2018 and down 61% vs Q2 2017
  - 38% at Growth stage, up 65% vs Q2 2018 and up 27% vs Q2 2017
  - 25% at Late stage, more than ever
  - 2 M&A in Q2 2019
- Q2 2019 Early stage deal share compressed by strong Late stage deal activity compared to Q2 2018
- Late stage activity in the first half of 2019 represented a record-breaking volume share with 25% of all funding rounds closed at D stage and above



Note: Deals data exclude unspecified funding stage

## INDIA DEAL SIZE DISTRIBUTION (2014 – 2019)

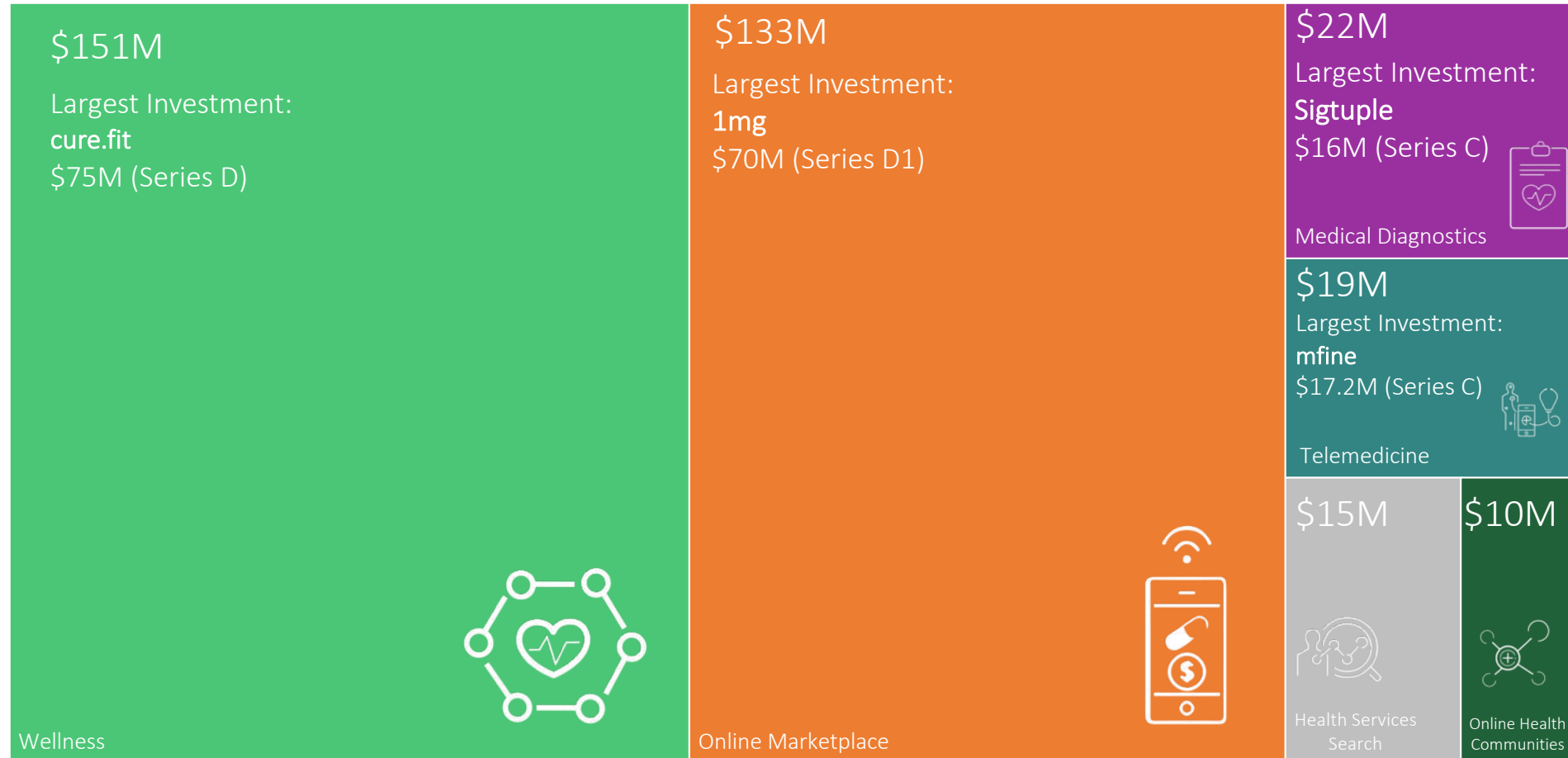
- The share of deals sized below <\$1M collapsed in H1 2019 suggesting angel investors have stayed away
- The total share of investments between \$1M and \$10M dipped reflecting a trend for bigger investor tickets
- In contrast, the total share of investments between \$10M and \$50M doubled driven by two major deals, which went on to raise larger rounds in Q2 2019

	<1M	>1M	>10M	>50M	>75M	>100M
2019	4%	32%	28%	0%	4%	0%
2018	26%	41%	13%	2%	0%	1%
2017	36%	29%	11%	1%	0%	0%
2016	45%	27%	6%	0%	0%	0%
2015	50%	18%	13%	2%	0%	0%
2014	22%	43%	13%	0%	0%	0%

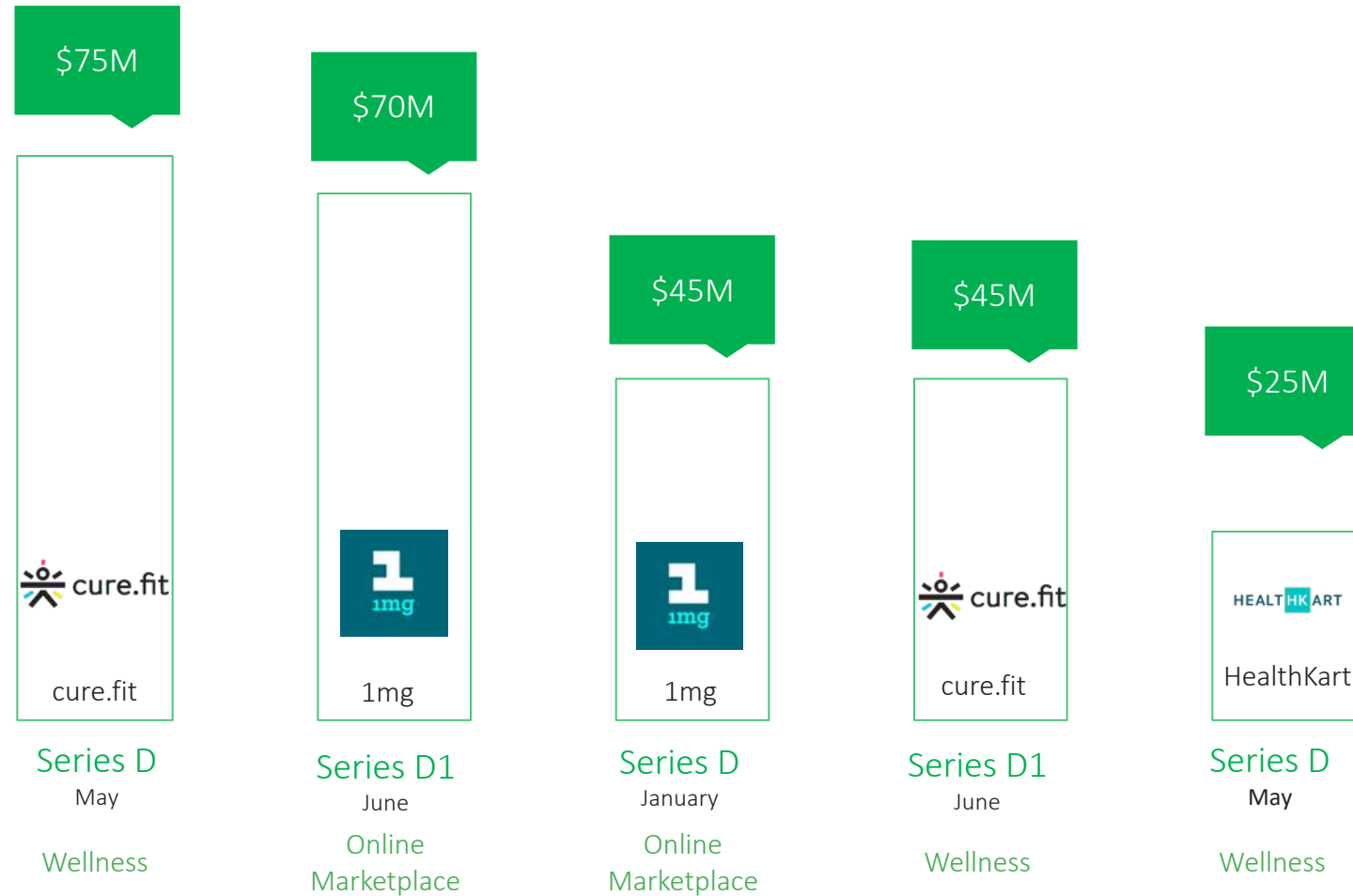
\*Note: Annual totals do not add up to 100% due to undisclosed deals

# INDIA HEALTHTECH MOST FUNDED CATEGORIES BY VALUE

*In line with the region trend, Online Marketplace and Medical Diagnostics categories are amongst the top three, with Wellness in pole and Telemedicine in fourth reflecting a more patients needs driven innovation ecosystem in India*



# H1 2019 INDIA HEALTHTECH TOP 5 MOST NOTABLE DEALS



# H1 2019 INDIA HEALTHTECH VENTURE SPOTLIGHT

1mg

Delhi, India



## DESCRIPTION

1mg is India's leading consumer health platform. It aspires to be the trusted health partner for all Indians and its mission is to make healthcare accessible, understandable and affordable for a billion Indians.

## MANAGEMENT

Name / Title	Background
Prashant Tandon (Co-founder and CEO)	Entrepreneur with a consulting background, and a Stanford graduate
Gaurav Agarwal (Co-founder and CTO)	More than 10 years of experience in computer science and software engineering
Tanmay Saksena (COO)	10 years of experience in business operations

## HEALTHTECH ALPHA ASSESSMENT



## PRODUCT DESCRIPTION

- 1mg's platform enables consumers to learn more about their medicines and also find more cost-effective substitutes. 1mg's doctor platform aims to revolutionize how a consumer finds the right healthcare professional for his needs. It's diagnostics service brings transparency and price-effectiveness to lab tests.
- The application is available as a web portal- www.1mg.com and as mobile app across Android/ iOS.

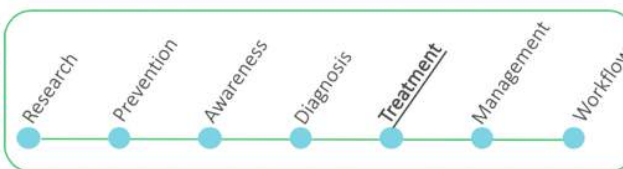
## HEALTHTECH CATEGORISATION & CLASSIFICATION

HEALTHTECH CATEGORY



Online Marketplace

HEALTH VALUE PROPOSITION



TECHNOLOGIES

- Web Portal
- Mobile App

## ESTIMATED VALUATION

US\$ 200 M\*

## INVESTMENT HISTORY

Date	Investors	Stage	Amount
06/ 2019	Corisol Holding AG, IFC, Redwood Global, Korea Omega Healthcare Fund, Sequoia Capital,	Series D1	US\$ 70 M
03/ 2019	Corisol Holding AG, Redwood Global, Sequoia Capital, Omidyar Network, HBM Healthcare Investments	Series D	US\$ 45.5 M
04/ 2018	Maverick Capital Ventures, Sequoia Capital, GHI Holdings, HBM Healthcare Investments	Series C2	US\$ 14.6 M
03/ 2018	Maverick Capital Ventures, Sequoia Capital, GHI Holdings, HBM Healthcare Investments	Series C1	US\$ 10 M

## PARTNERSHIPS

- Max Bupa Health Insurance
- Allianz
- HDFC Life
- ICICI
- Thyrocare
- Path Care
- Mahajan Imaging
- SBI

## COMPETITIVE LANDSCAPE

- Netmeds
- Pharmeasy
- Medlife



A Buddhist monk in orange robes, carrying a bag, walks away from the camera on a train platform. The platform is wet and reflects the light from a large, arched glass and steel structure above. A train is visible on the right, and another platform with a sign '76' is visible in the distance.

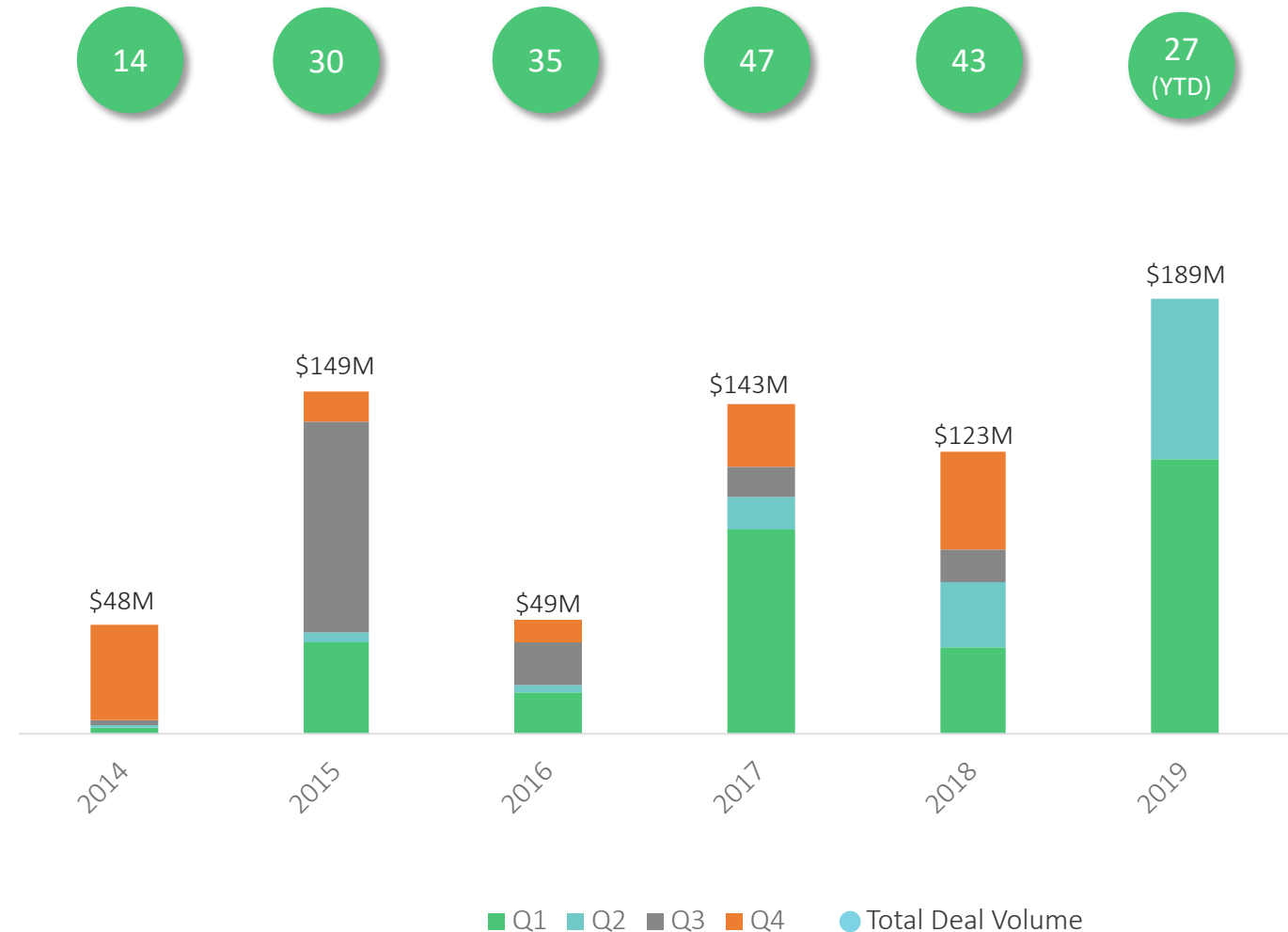
# SE ASIA (SEA)

## INVESTMENT TRENDS

- Singapore
- Indonesia
- Malaysia
- Myanmar
- Vietnam
- Thailand
- Philippines
- Other SEA

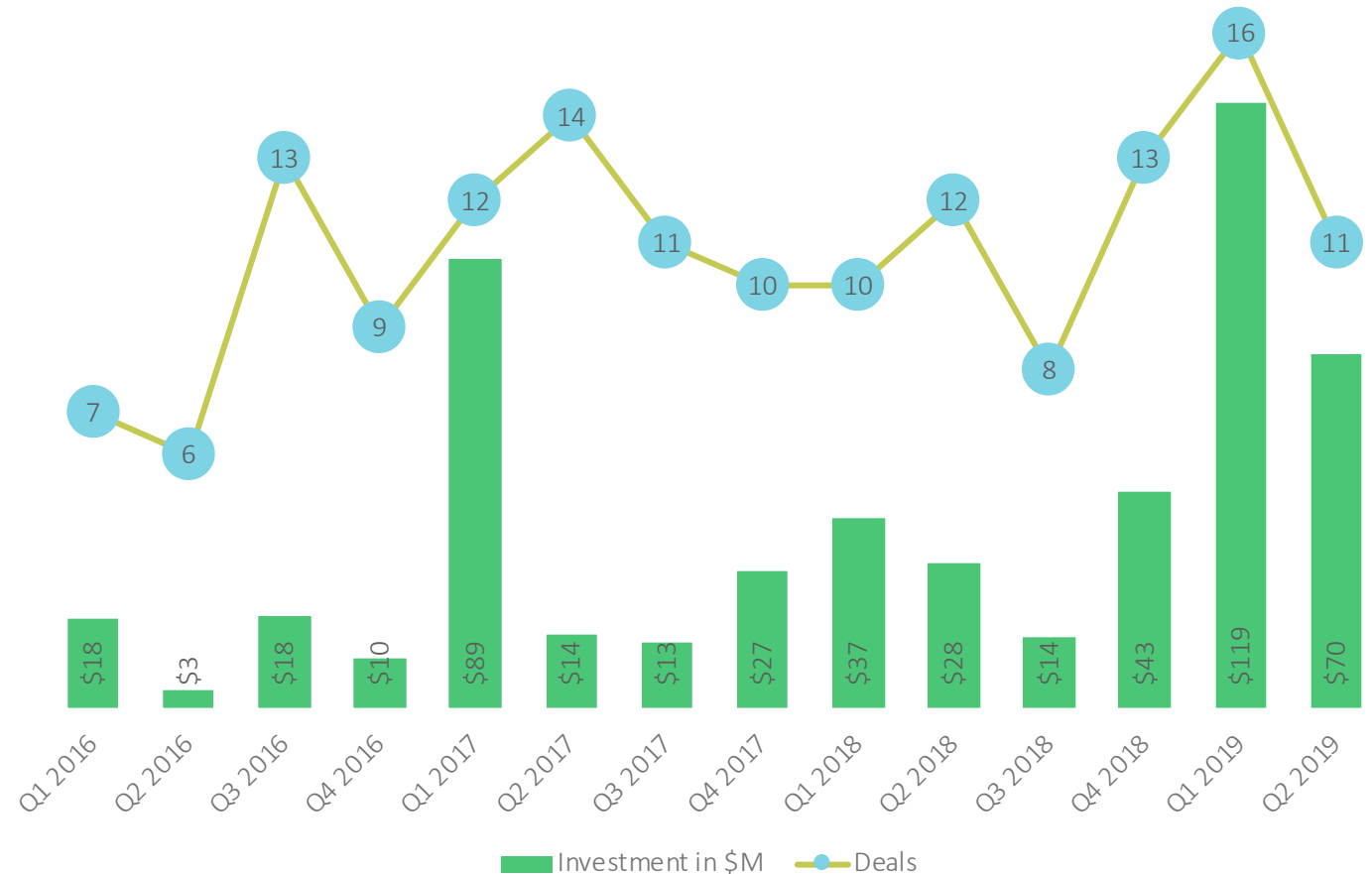
# YOY SEA HEALTHTECH FUNDING HISTORY (2014 – H1 2019)

- Total funding for SEA in the first half of 2019 closed at \$189M, significantly ahead of H1 2018, a 3x increase in funding level
- H1 2019 has already overtaken 2018's total funding placing SEA on a trajectory towards 2019 being its largest funding year historically
- Driven by three noteworthy deals namely Halodoc, CXA and Biofourmis which grabbed 40% of total dollars invested in this sub-region
- Deal count also witnessed stronger activity in the first half of 2019 with 27 recorded deals, a 23% increase
- Cumulative deal value since 2016 is \$505M



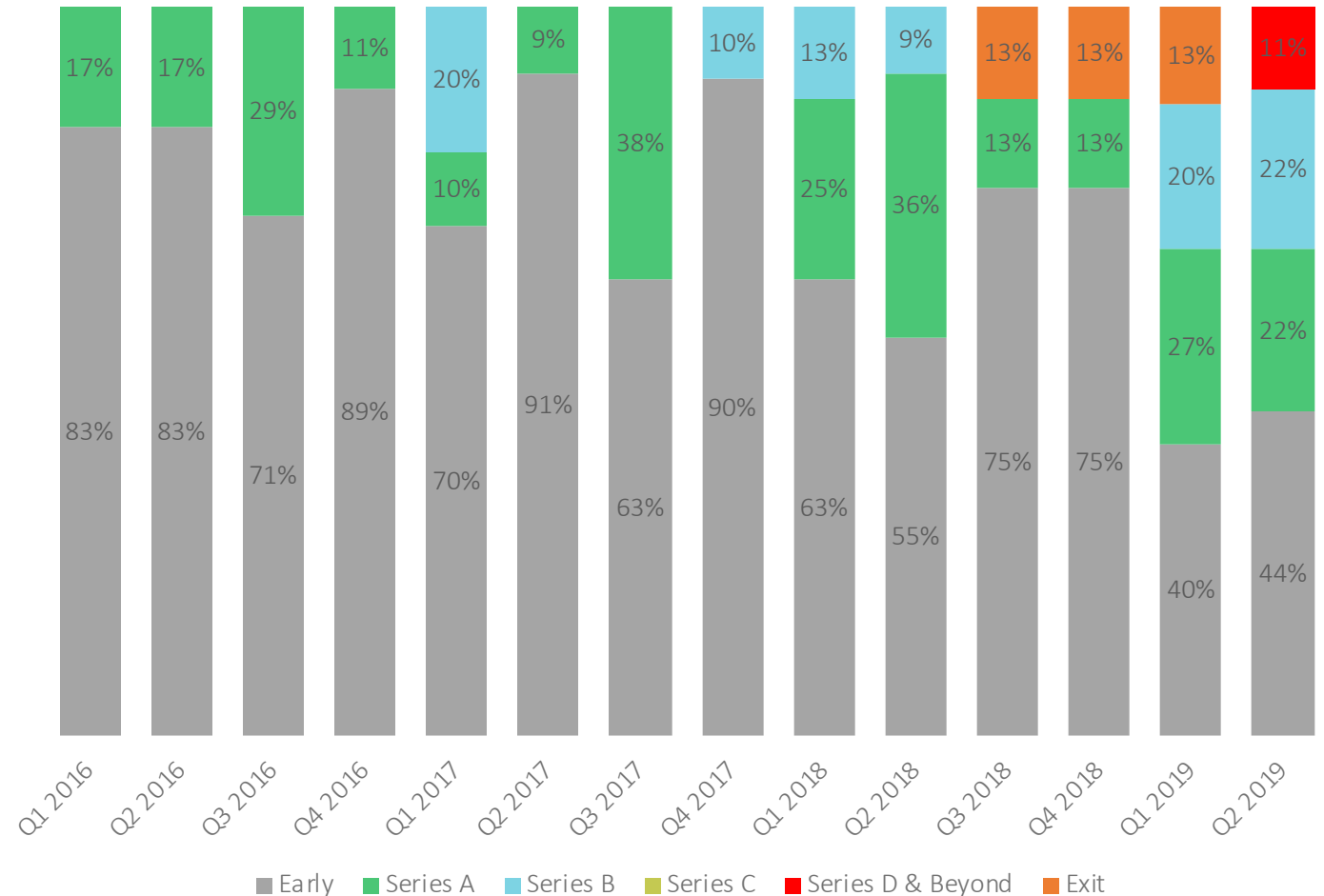
# QOQ SEA HEALTHTECH FUNDING HISTORY (2016 – H1 2019)

- Q2 2019 total funding value was up 1.5x vs Q1 2019, with matching deal volume activity
- Average deal value in Q2 2019 reached \$6.4M, up 2.8x from the \$2.3M achieved in Q2 2018
- In H1 2019, deal activity was recorded in Singapore, Indonesia, Vietnam, Malaysia, Myanmar, Philippines and Thailand. Of note:
  - Singapore recorded a total of 15 deals
  - Indonesia recorded a total of 4 deals
- This strong deal activity in the first half of 2019, both in value and volume will see SEA hit a record-breaking year



# QOQ SEA HEALTHTECH DEAL VOLUME SHARE (2016 – H1 2019)

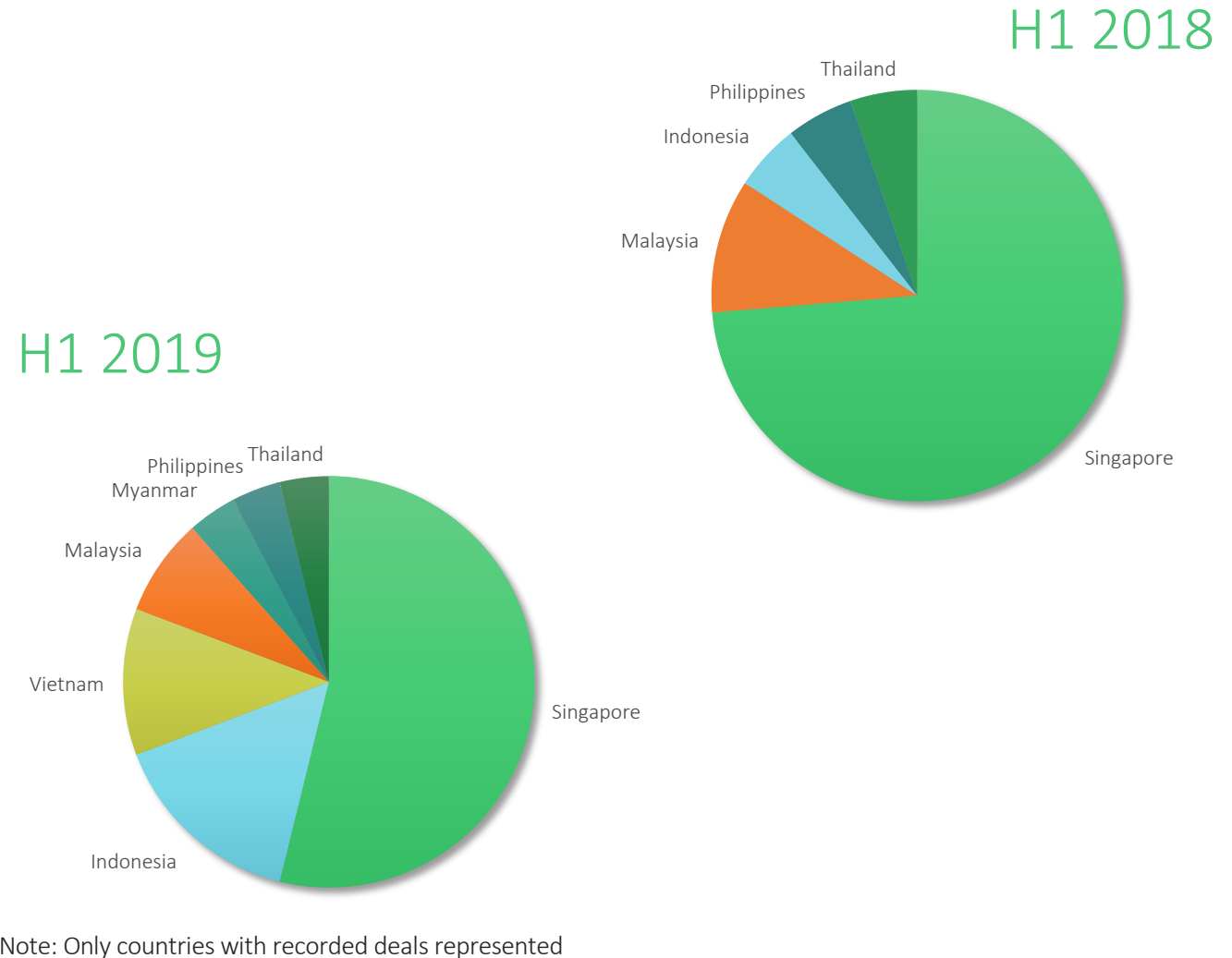
- Quick Facts Q2 2019 deal volume:
  - 44% at Early stage, down 20% vs Q2 2018 and down 52% vs Q2 2017
  - 44% at Growth stage, down 2% vs Q2 2018 and up 5x vs Q2 2017
  - 11% at Late stage more than ever
  - There were no Exit stage deals recorded in SEA
- H1 2019 Early stage deal share has been compressed by expanding Growth and Late stage deal volume compared to H1 2018



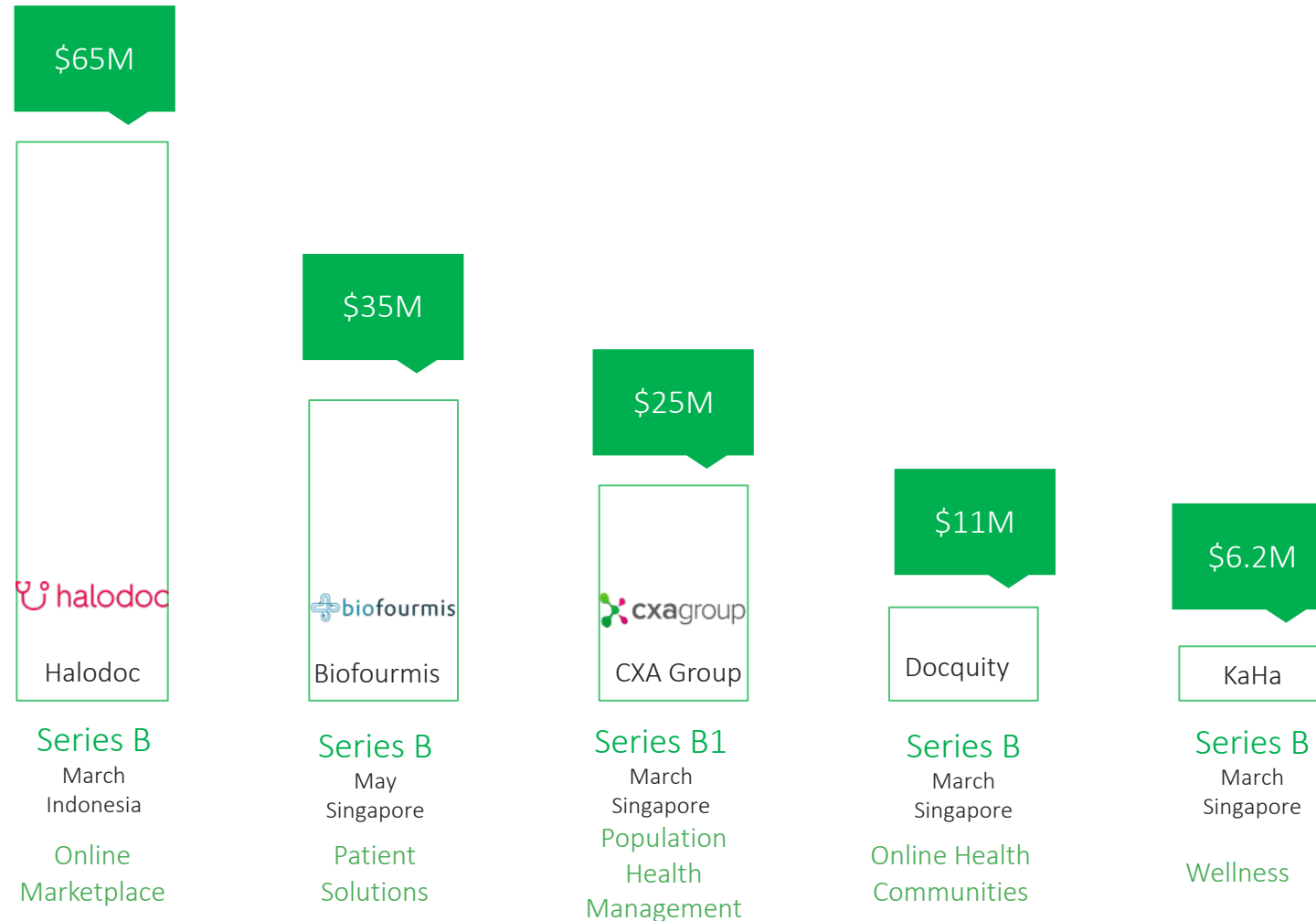
Note: Deals data exclude unspecified funding stage

# SEA HEALTHTECH DEAL VOLUME SHARE BY MARKET

- By deal volume share, Singapore retained its lead in the sub-region with 54% share, though shrinking from 74% as neighbouring countries expand their ecosystem and attractiveness
- Malaysia, Indonesia, Vietnam and Myanmar increased their deal volume share in H1 2019. Of note:
  - Indonesia tripled its deal volume share to 15% share
  - Vietnam catapulted into the ranking tables with 11% share
- Both Thailand and the Philippines remained stable whereas Malaysia dipped to 8% share



# H1 2019 SEA HEALTHTECH TOP 5 NOTABLE DEALS



# H1 2019 SEA HEALTHTECH VENTURE SPOTLIGHT

## Halodoc

Jakarta, Indonesia



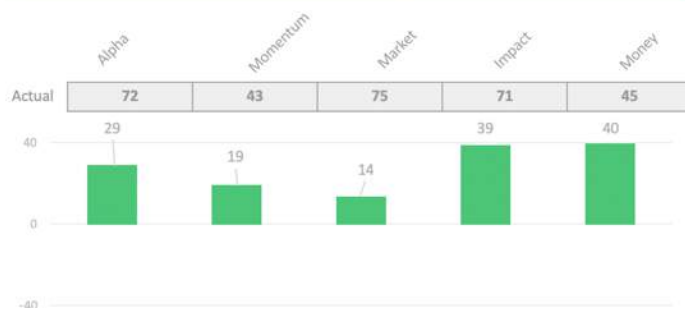
### DESCRIPTION

- Founded in 2016 in Jakarta, Halodoc provides a platform to simplify healthcare for patients in Indonesia.
- Halodoc is connecting patients with licensed doctors, insurances, labs, and pharmacies in one application. Users can benefit for 24/7 teleconsultation via chat, voice and video call, get a prescription, buy medicine instantly, and have a lab in home service.

### MANAGEMENT

Name / Title	Background
Jonathan Sudharta (Co-Founder & CEO)	15 years exp healthcare industry from sales management to business development director.
Doddy Lukito (Co-Founder & COO)	17 years exp in technology companies. Master comp eng from Carnegie Mellon
Jon Richards (CFO)	11 years exp in investment banking & biz dev. Background in HR & business administration

### HEALTHTECH ALPHA ASSESSMENT



### PRODUCT DESCRIPTION

- Patient can browse doctors from GP to specialists and request consultation. When consultation begin, user can choose to consult via chat or request call or video call. As part of consultation, user can receive medicine recommendations
- Patient can browse variety of medicines and medical device OR simply upload their prescription to buy. Once purchase confirmed, medicine will be delivered to patient doors step in 1 hour
- Patient can select lists of lab package and get blood sample taken from places they have selected and see result in app.

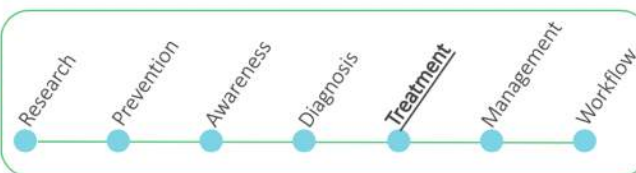
### HEALTHTECH CATEGORISATION & CLASSIFICATION

HEALTHTECH CATEGORY



Consumer Marketplace

HEALTH VALUE PROPOSITION



TECHNOLOGIES

- Cloud
- Machine Learning / Deep Learning
- Mobile Application
- VoiceTech

### ESTIMATED VALUATION

US\$ 271 M

### INVESTMENT HISTORY

Date	Investors	Stage	Amount
03 / 2019	UOB Ventures, GO-JEK, Singtel Innov8, Korea Investment Partners, WuXi Apptec, Openspace Ventures	Series B	US\$ 65 M
09 / 2016	Clermont Group, Openspace Ventures, GO-JEK & GDP Venture	Series A	US\$ 13 M
04 / 2016	Openspace Ventures, GO-JEK & GDP Venture	Seed	undisclosed

- Go-Jek
- Blibli
- Prodia Clinical Laboratory
- Allianz
- FWD Employee
- Cigna

### Competitive Landscape

- Atoma Medical
- Medigo





# REST OF ASIA

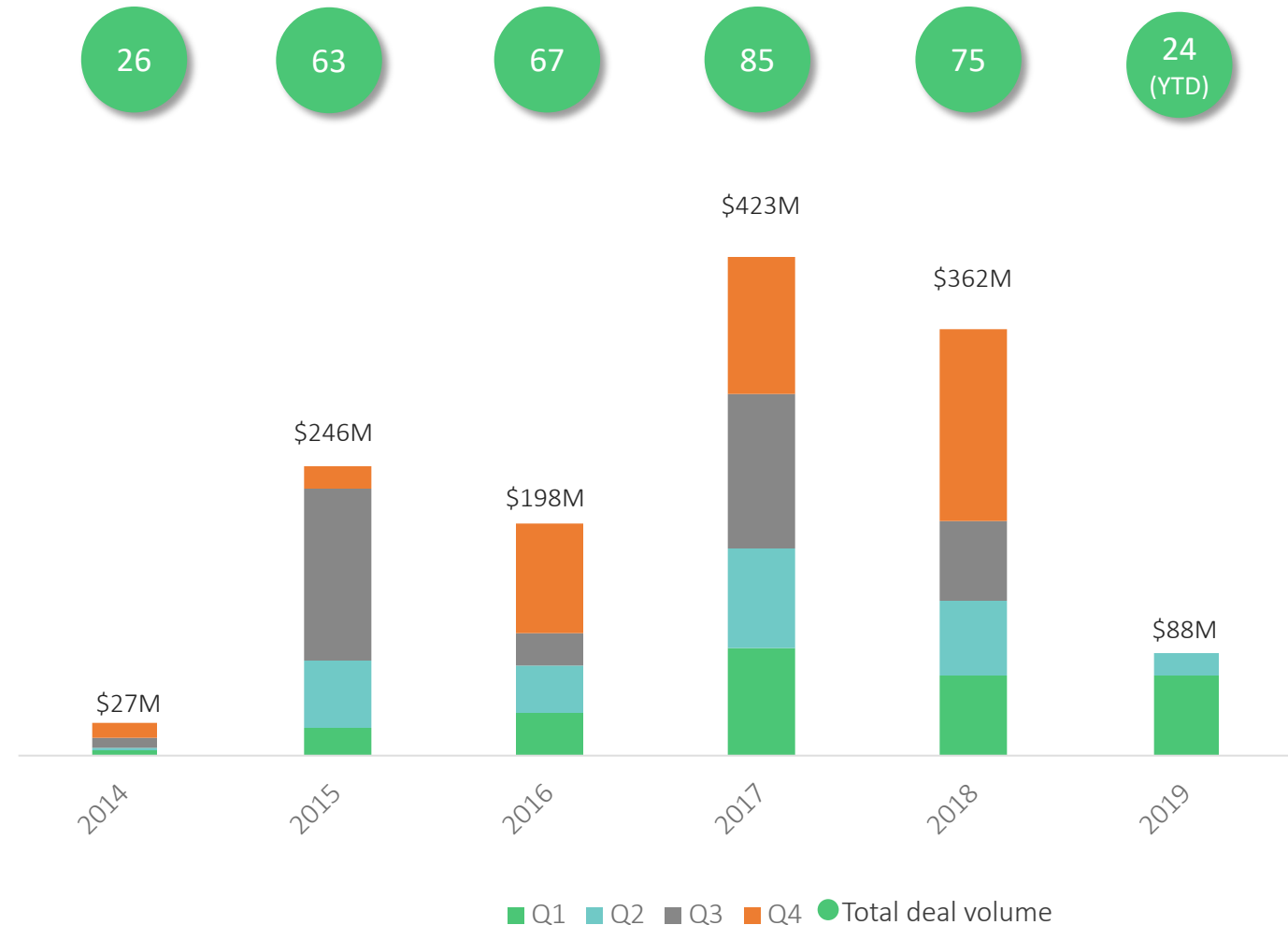
## INVESTMENT

## TRENDS

- Japan
- South Korea
- Australia
- Taiwan
- Bangladesh
- Pakistan
- Other ROA

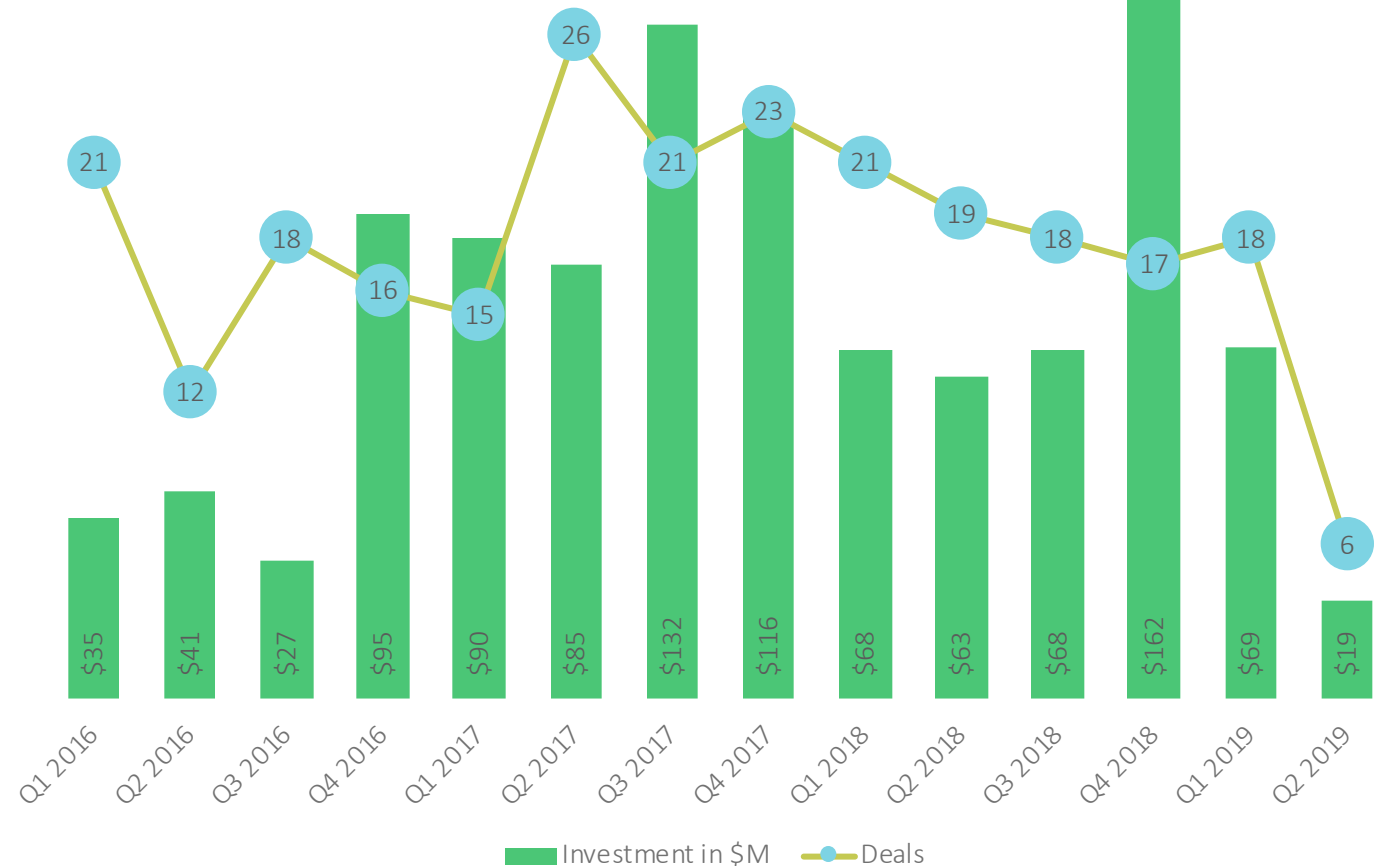
# YOY ROA HEALTHTECH FUNDING HISTORY (2014 – H1 2019)

- Total funding for Rest of Asia (RoA) in the first half of 2019 closed at \$88M, 33% behind H1 2018
- However H1 2019 deal count witnessed a downtick in activity with 24 deals recorded vs 40 deals for the same period last year
- Two countries recorded 70% of all executed deals recorded in H1 2019:
  - South Korea, recorded with 11 deals the most deals on record for this group of countries for the period
  - Japan, recorded 6 deals
- Cumulative deal value since 2016 is \$1.07B



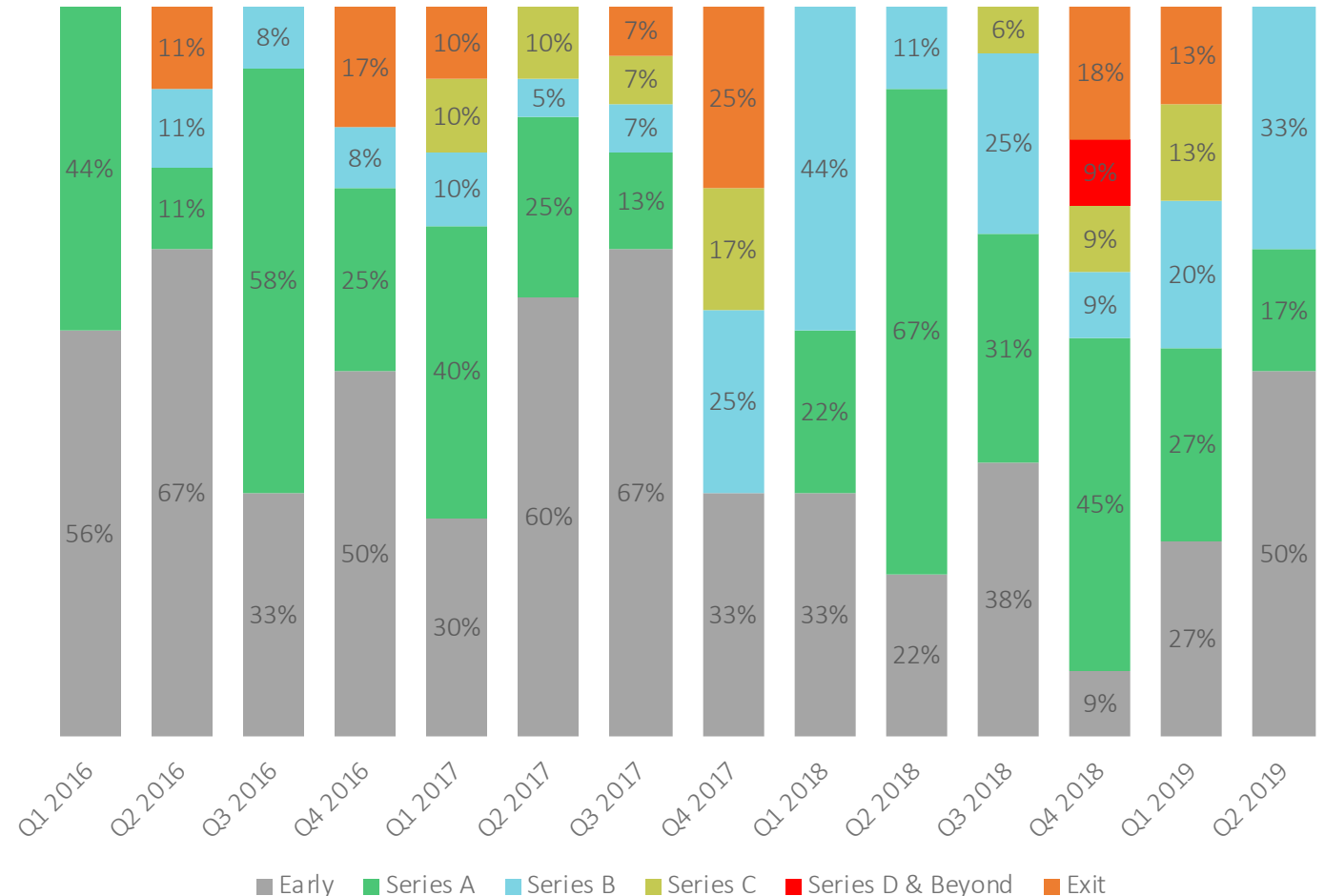
# QOQ REST OF ASIA HEALTHTECH FUNDING HISTORY (2016 – H1 2019)

- Q2 2019 total funding value was down 70% vs Q2 2018, matched by shrinking deal volume activity
- Deal count in Q2 2019, which closed at only 6 recorded deals, was the lowest quarter ever historically for this group of countries
- Despite the depression in both funding value and deal volume in Q2 2019, average deal value remained stable at \$3.2M, vs \$3.3M in Q2 2018



# QOQ REST OF ASIA HEALTHTECH DEAL VOLUME SHARE (2016 – 2019)

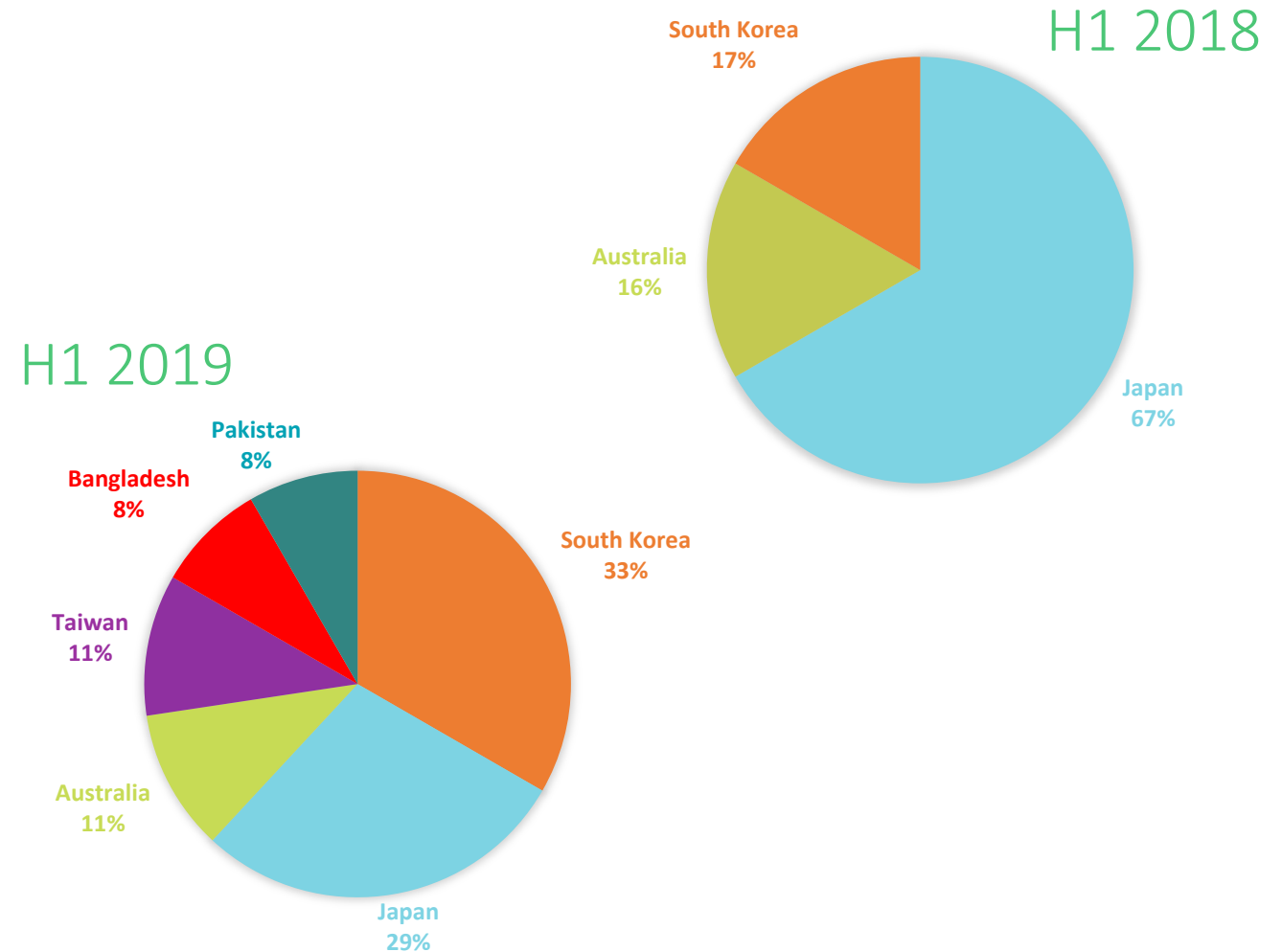
- Quick Facts Q2 2019 deal volume:
  - 50% at Early stage, 2.3x up vs Q2 2018 and down 17% vs Q2 2017
  - 50% at Growth stage, down 36% vs Q2 2018 and up 25% vs Q2 2017
  - No late stage deals nor Exits were recorded for Q2 2019
- Q2 2019 Early stage deal share at 50% represented a strong expansion in deal activity vs Q2 2018, the latter having been compressed by sizeable volume share growth of Series A stage deals in 2018



Note: Deals data exclude unspecified funding stage

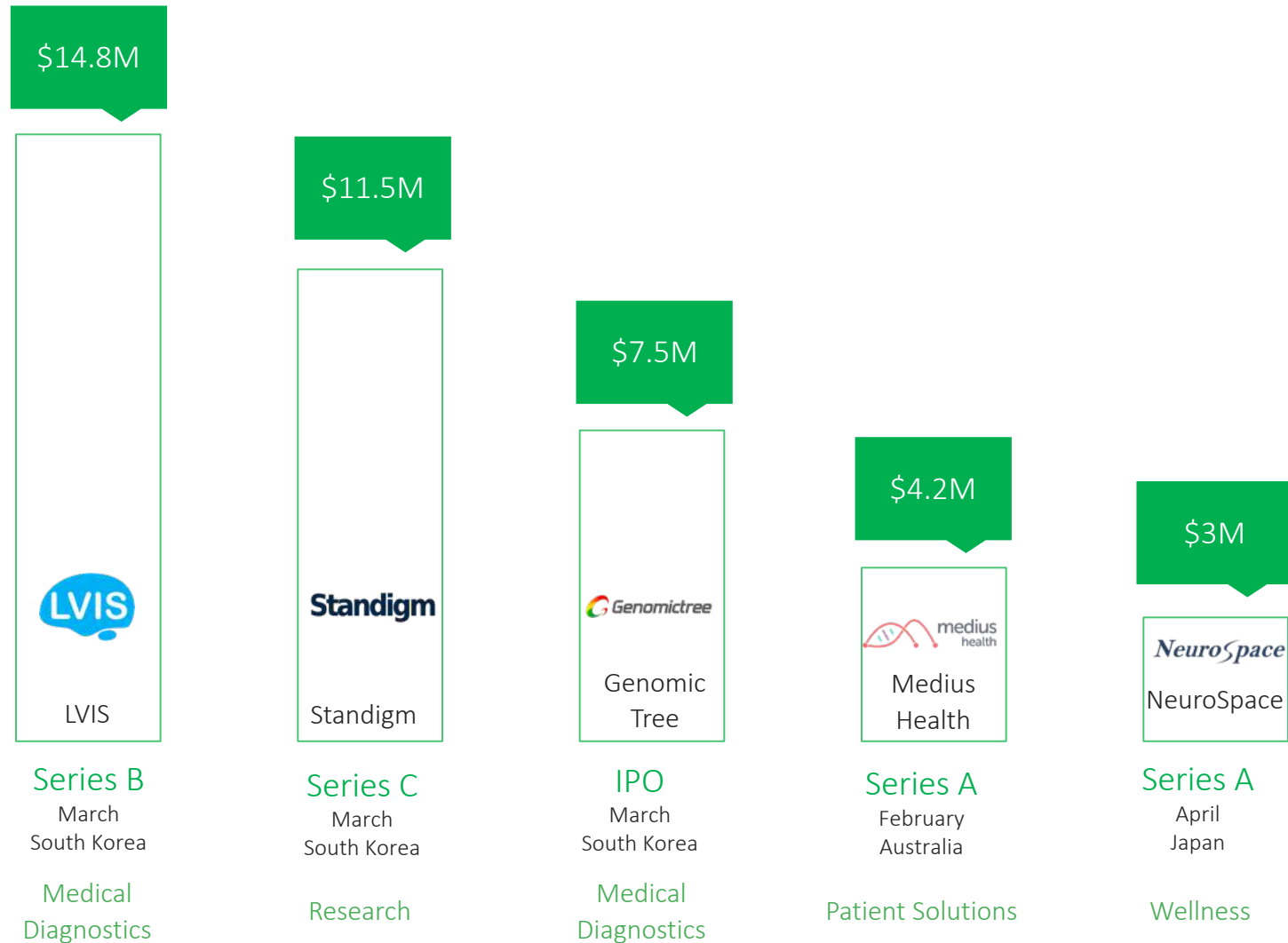
# ROA HEALTHTECH DEAL VOLUME SHARE BY MARKET

- By deal volume share, Japan lost its crown to South Korea with a 29% share, down from 67%, compounded by other countries, in this group, expanding their ecosystem and attractiveness
- Also impacted was Australia at 11% down from 15%
- South Korea almost doubled its share of deals closing at 33%, up from 17%
- Of note:
  - Taiwan stepped up to a deal volume share of 11%
  - Both Pakistan and Bangladesh recorded deals in H1 2019



Note: Only countries with recorded deals represented

# H1 2019 ROA HEALTHTECH TOP 5 NOTABLE DEALS



# 2019 ROA HEALTHTECH VENTURE SPOTLIGHT

**LVIS**

Seoul, South Korea



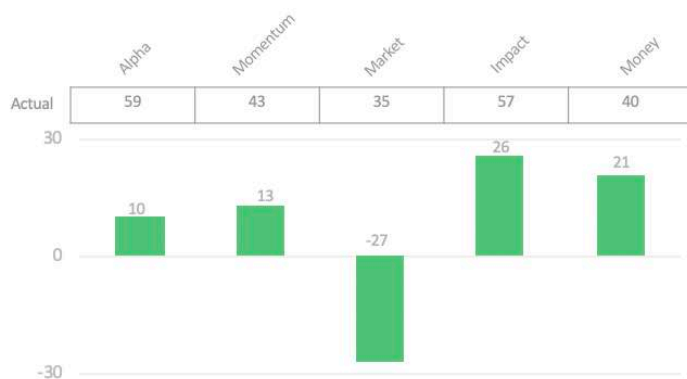
## DESCRIPTION

LVIS is a leader in cutting edge neural information analysis technologies that can decode brain networks and find cures for neurological diseases. LVIS owns patented technologies and our team includes leaders with strong expertise in neuroscience and engineering from Stanford University.

## MANAGEMENT

Name / Title	Background
Jinhyung Lee (Founder & CEO)	Expert in neural circuit imaging and professor at Stanford

## HEALTHTECH ALPHA ASSESSMENT



## PRODUCT DESCRIPTION

- Live Visualization to innovate how neurological diseases are diagnosed and treated.

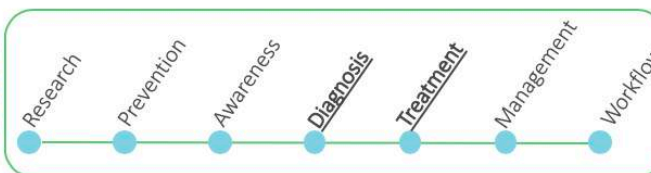
## HEALTHTECH CATEGORISATION & CLASSIFICATION



Medical Diagnostics

HEALTHTECH CATEGORY

HEALTH VALUE PROPOSITION



TECHNOLOGIES

- Analytics
- Machine Learning / Deep Learning

## ESTIMATED VALUATION

**US\$ 58.8 M**

## INVESTMENT HISTORY

Date	Investors	Stage	Amount
03/ 2019	KB Investment, DSC Investment, SK Group	Series B	US\$ 14.1 M

## COMPETITIVE LANDSCAPE

➤ Looxidlabs
➤ NeuroGazer

# 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 59 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 implanted into the body.

## What information do we track

Galen Growth Asia 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 report's base currency is USD
- Early stage includes all deals up to & including Pre-A stage
- Growth stage includes all deals at Series A, B & C stage
- Late stage includes all deals at Series D & beyond stage
- Exits include all IPO and M&A deals

## Where do we source our information

Galen Growth Asia collates its data from primary research, public domain sources (press releases and news), 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

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

## 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 Asia 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.

Galen Growth Asia shall not be liable for any loss, damage, cost or expense incurred by reason 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 Asia.

# ABOUT GGA ANALYTICS

The background features a gradient from light green on the left to a darker green on the right. Several large, semi-transparent, overlapping circles are scattered across the scene. A prominent feature is a vertical line of small green dots that starts at the bottom and tapers towards the top, with some dots branching out to the left, creating a dotted pattern.

# OUR HEALTHTECH TAXONOMY

## Health Services Search



- Medical Concierge
- Medical Tourism

## Health Management Solutions



- EHR / EMR
- Physician / Clinic
- Hospital
- Pharmacy

## Online Marketplace



- Consumer Marketplace
- Professional Marketplace
- On-demand Lab Tests

## Medical Diagnostics



- Medical Imaging
- Diagnosis Tools
- Liquid Biopsy

## Research



- Drug Discovery
- Next Generation Sequencing
- Genomics Related Research
- Clinical Trials

## Patient Solutions



- Digital Therapeutics
- Patient Self-Diagnosis
- Disease Management

## Telemedicine



- Teleconsultation

## Online Health Communities



- Patient Health Forums
- Physician Networks
- Other HCP Networks

## Remote Monitoring



- Home Healthcare
- Devices

## Medical Education



- HCP Education
- Health Information Platform
- Consumer Education

## Payments & Insurance



- Health Claim Management
- Medical Payments

## Population Health Management



- Corporate Health
- Integrated Solutions

## Wellness



- Wellness Apps
- Wearables
- Smart Equipment
- Wellness Information Platform
- Genomics Related Applications

## Veterinarian



- Health Forums

## Others



- Social Enterprise
- HCP Job Board
- Software Provider
- Contamination Management

# OUR MARKET COVERAGE





Our analysis of HealthTech investments tracks activities across 23 distinct markets in Asia Pacific.

*Due to lack of data, not every market is featured in this report.*

We are continuously monitoring markets that are not listed here.



# HEALTHTECH ALPHA COMPARISON

					Remarks
No. of HT ventures captured	2100+	300+	1000+	1400	
No. of HT deals captured	2000+	300+		1450	
Total funding tracked (since 2010)	US\$30B	US\$2B		US\$10B	
No. of investors captured	1300+	350+			
<b>Funding Deal &amp; Financial Profiling</b>					
Investors	Yes	Yes	Yes	Yes	eg. Sequoia
Stage	Yes	Yes	Yes	Yes	eg. Series A
Valuation	Yes	Yes	No	No	
Future Valuation	Yes	Yes	No	No	
Financial Statements	No	Yes	No	Yes	eg. P&L
<b>Business Model Profiling</b>					
Commercial Partnerships	Yes	No	No	No	eg. Lilly
Value Proposition Mapping	Yes	No	No	No	eg. Patient Acquisition
TA Mapping	Yes	No	No	No	eg. Oncology
HT Capability Categorisation	Yes	No	No	No	eg. Telemedicine
Enabling Tech Classification	Yes	No	No	Yes	eg. Biosensors
Geographic Mapping	Yes	Yes	Yes	Yes	eg. Jakarta, Indonesia
<b>Other</b>					
Management Team	Yes	Yes	Yes	Yes	eg. CEO Name
Incorporation Status	Yes	Yes	Yes	Yes	
Contact Details	No	Yes	No	Yes	HTA protects privacy of the team
<b>Venue Indices</b>					
Social Media	No	Yes	Yes	No	eg. Website traffic
Biz Maturity	Yes	No	No	Yes	eg. Operating model momentum

# ABOUT HEALTHTECH ALPHA

HealthTech Alpha is the most advanced digital health analytics platform with best-in-class user workflow built to fast track decision making and actively monitor portfolios

## Overview

**SigTuple**  
SigTuple Technologies is building an artificial intelligence (AI) platform called Manthana (MTH) which helps analyse visual medical data efficiently. Manthana is developed to target five major high-volume, screening processes of the healthcare industry – analysis of peripheral blood smears, urine microscopy, semen, fundus & OCT scans and chest x-rays.

**General Information**

Total Employees:	11-50
HealthTech Category:	Health Management Solutions, Medical Diagnostics
Location:	Bangalore, India
Business Model Type:	B2B
Investors:	Accel Partners, IDG Ventures
Incorporation Year:	6 / 2015
Legal Status:	Private / Independent

**Funding**  
Last: US\$ 18 M  
Total: US\$ 41.5 M

**Valuation**

## Funding Events

**Funding Timeline**

- Seed: US\$ 0.74 M
- Series A: US\$ 5.8 M
- Series B: US\$ 18 M
- Series C: US\$ 16 M

**Funding Information**

Stage	Month / Year	Amount Raised	Lead Investors	Other Investors
Seed	10/2015	US\$ 0.74 M	Accel Partners	Sachin Bansal, Binny Bansal
Series A	02/2017	US\$ 5.8 M	Accel Ventures	IDG Ventures, Endeavor Partners, PI Ventures, Vii Capital, Auhil Ventures
Series B	06/2018	US\$ 18 M	Accel Partners, IDG Ventures	Endeavor Partners, PI Ventures, Binny Bansal
Series C	04/2019	US\$ 16 M	Trusted Insights	Accel Partners, Christie Partners, Binny Bansal

**Funding**  
Last: US\$ 18 M  
Total: US\$ 41.5 M

**Valuation**

## Competitors

**By HealthTech Category**

**By Therapeutic Focus**

**By Geography**

**Funding**  
Last: US\$ 18 M  
Total: US\$ 41.5 M

**Valuation**

## Comparables

**Alpha Score**

**Momentum**

**Market**

**Impact**

**Money**

**Funding**  
Last: US\$ 18 M  
Total: US\$ 41.5 M

**Valuation**

## Relationships

Please enter the startup name to show the network information for:

**Babytree (宝宝树)**

**Legend**

- Startups
- Investors
- Institutions
- Corporates
- Investments
- Partnerships

## Dashboard

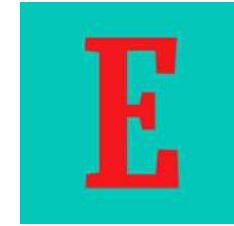
**Welcome to your Dashboard**  
You will find the latest data on the startups you are tracking

Alpha Score	Startup	Primary Supercategory	Proposition	Technology	Country	Total Funding	Valuation	Stage	Current Funding	Funding Date
63	MeGenome Labs	Research	Research, Diagnosis, Recovery / Management, Treatment	Genomics, Machine Learning / Deep Learning, Mobile Application, Cloud	India	\$73.66 M	\$175.47 M	Series C1	\$10.00 M	3 / 2018
63	3D Medicine (3Dmed)	Medical Diagnostics	Treatment, Diagnosis, Recovery / Management	Hardware, Machine Learning / Deep Learning, Mobile Application, Cloud, Biosensors	China	\$120.96 M	\$576.25 M	Series C	\$9.24 M	11 / 2017
68	Health	Patient Solutions	Treatment, Awareness, Diagnosis, Recovery / Management	Analytics, Machine Learning / Deep Learning, Mobile Application	Singapore	\$3.00 M	\$4.33 M	Series A	\$1.00 M	3 / 2013

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