



ASIA PAC HEALTHTECH INVESTMENT LANDSCAPE

EXCLUSIVE VERSION – NOT FOR EXTERNAL DISTRIBUTION

YEAR END 2019

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



JULIEN DE SALABERRY

CEO & Founder
Galen Growth

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

Asia Pac HealthTech ecosystem momentum continues despite geopolitical and domestic headwinds to close at US\$5B invested, across 340 deals, well ahead of our forecast last October. Accordingly, we estimate total global funding in 2019 to exceed US\$15B.

Early stage and Series A deal activity shrinks yet further, whereas total Series B deal value share continues to grow, grabbing 33% of total funding, raising questions on the future quality of deal flow for Growth stage investors and the likely impact on Seed stage ventures.

China slows with dollars to VC-backed ventures shrinking 37% in FY 2019 vs 2018. Are investors being spooked by geo-political and domestic economy headwinds?

India’s momentum, after a significant dip in value and volume in Q1, accelerated to make 2019 a record breaking year closing at US\$723M, up 33% on 2018.

SE Asia investment also broke all previous records to close 2019 at \$266M, up 2.25X vs 2018, reflecting its growing ecosystem maturity.

Our FY2019 report spotlights both the Japan and S Korea ecosystems as these have grown substantially this year, capturing \$420M of funding, up 16% on 2018.

Industry and investor sentiment for HealthTech in Asia Pac remains strong. The majority of corporate leaders continue to be concerned by their strategy whereas a rising numbers of investors see deal flow access as challenging.

This is our most comprehensive report to date and is powered by HealthTech Alpha, a Galen Growth solution, the most advanced digital health analytics platform.

WHO ARE WE

Galen Growth is the leading market intelligence, analytics and advisory firm in HealthTech, empowering Fortune 500 companies and global investors to fast track the business impact of their growth strategies

Our Mission

Founded in late 2015 by HealthTech innovators, Galen Growth, operates at the epicentre of HealthTech innovation, aka digital health, in Asia Pac and Europe

Our mission is to solve healthcare system pain points and create significant financial and social value

To achieve this, we position ourselves as the catalyst of direct collaboration between enterprises, startups and investors to prototype, evaluate and implement HealthTech solutions

We offer our clients a portfolio of proprietary solutions designed specifically to empower their teams to build, execute and scale their digital health innovation strategies

We partner with enterprises, investors and startups to fast track and deepen their engagement within this exciting ecosystem.

The Galen Growth Difference

We enable our clients to:

- Develop real time actionable insights and transparency to the fast-changing ecosystem
- Confidently construct bespoke partnerships for near term business impact
- Fast track our clients' timelines to achieve earlier business impact
- Retain ownership of their HealthTech strategy from design to implementation
- Build stronger capabilities and sustainable organisational knowledge
- Operate with data that is never out of date
- Mitigate risks and avoid hype

OUR CORE FAST TRACK SOLUTIONS



Scouting and profiling enabled by advanced analytics and data

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

SCOUT | SELECT | PROFILE



Real time data, analysis and news at your fingertips

The most advanced digital health ecosystem analytics platform in Asia Pac, preferred by investors, enterprises and startups, 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

MONITOR | IDENTIFY | TRACK



Empowering enterprise innovation teams to win

A unique suite of solutions to enable innovation leaders and their teams to fast track the design and execution of their digital health strategies with bespoke match-making, thought leadership, proprietary research, leadership briefings, HealthTech Alpha and much more...

DESIGN | MOBILISE | BUILD



ASIA PACIFIC

INVESTMENT

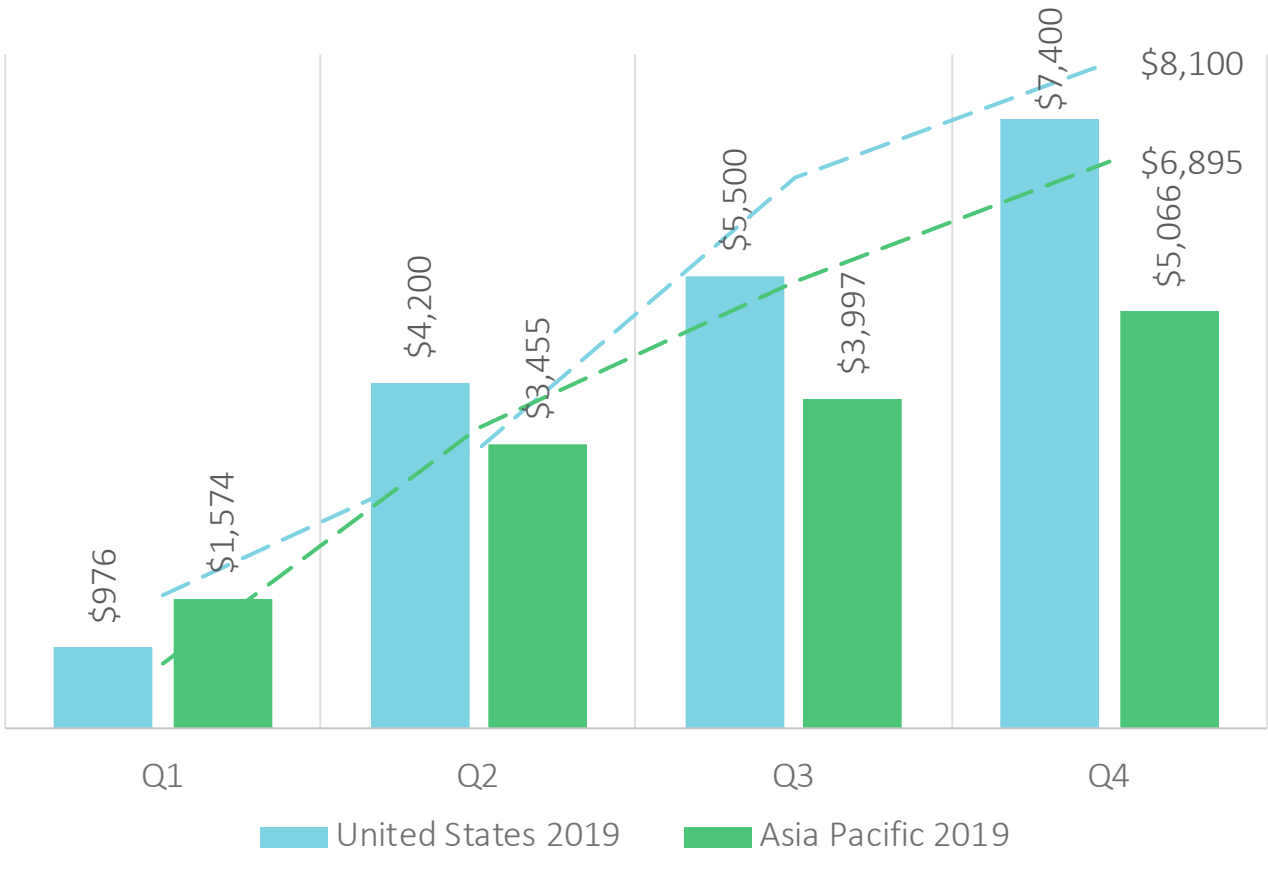
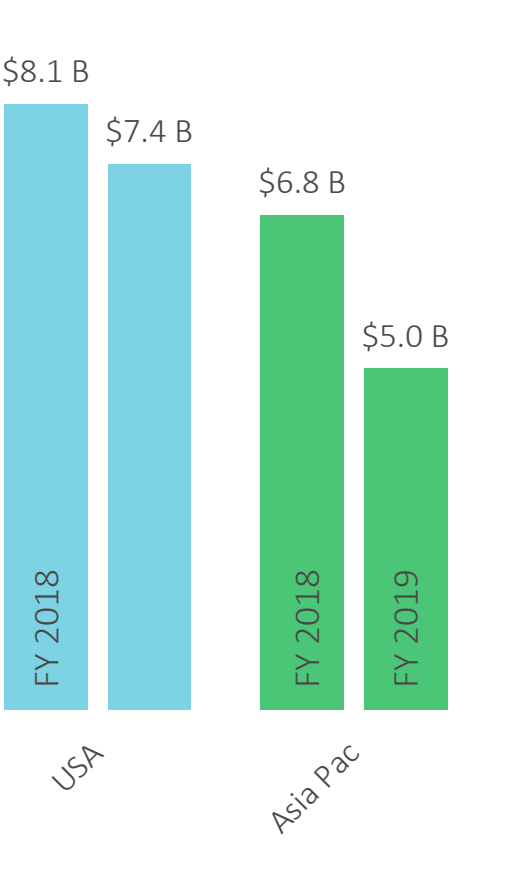
TRENDS

An aerial, top-down view of a city street scene. A multi-lane highway with several cars is visible, curving through the frame. To the left, there are several tall, modern buildings with glass facades. To the right, there's a parking lot filled with cars and a body of water. The overall scene is brightly lit, suggesting daytime.

IN 2019,
ASIA PAC HEALTHTECH
TOTAL FUNDING DEPLOYED WAS
\$5 BILLION
ACROSS
351 DEALS

ASIA PAC VS USA

After recording its weakest quarter since 2016 in Q3, Asia Pac HealthTech regained momentum and recorded another \$1+B quarter in Q4 to close FY 2019 at \$5B, well ahead of our forecast last October



CAGR 2014-2019	
USA	13%
APAC	26%
China	19%
India	55%
SEA	41%

Source: USA funding sourced from Rock Health
 Note: Europe data is not currently available but estimated at approx. US\$2B
 Note: Funding in \$M if not indicated differently

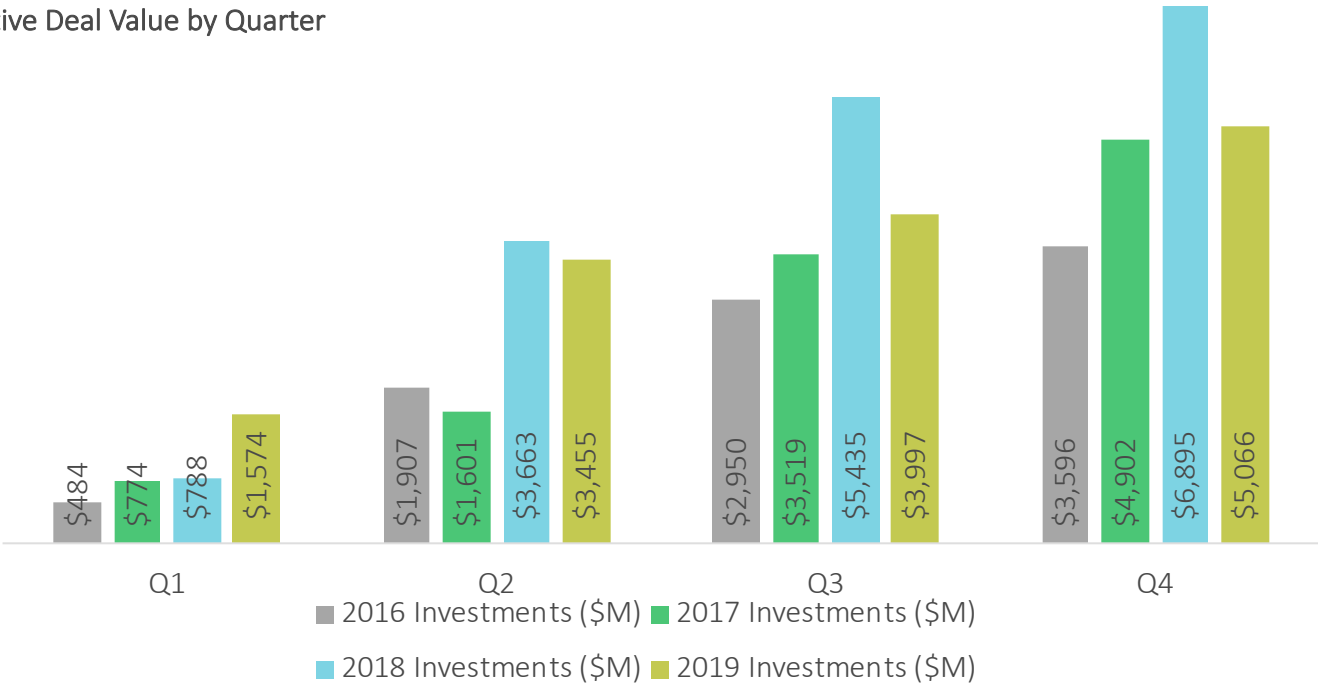
ASIA PAC HEALTHTECH FUNDING HISTORY (2016 – 2019)

- Full Year 2019 HealthTech funding closed at \$5B, down 27% vs 2018 and up 2% vs 2017
- The second half of 2019 saw a 15% dip in deal activity than the first half with 190 deals
- Despite lower deal volume and value, 2019’s average deal size was \$14.2M, up 12% vs 2018 and 51% vs 2017, reflecting a maturing funding pipeline
- 2019 counted a total of 13 mega deals, accounting for 38% of all funding, 4 less than in 2018, down 27% vs 2018
- Exits (IPO & M&A) share accounted for 5.3%, up 28% vs 2018

Cumulative Deal Volume by Quarter

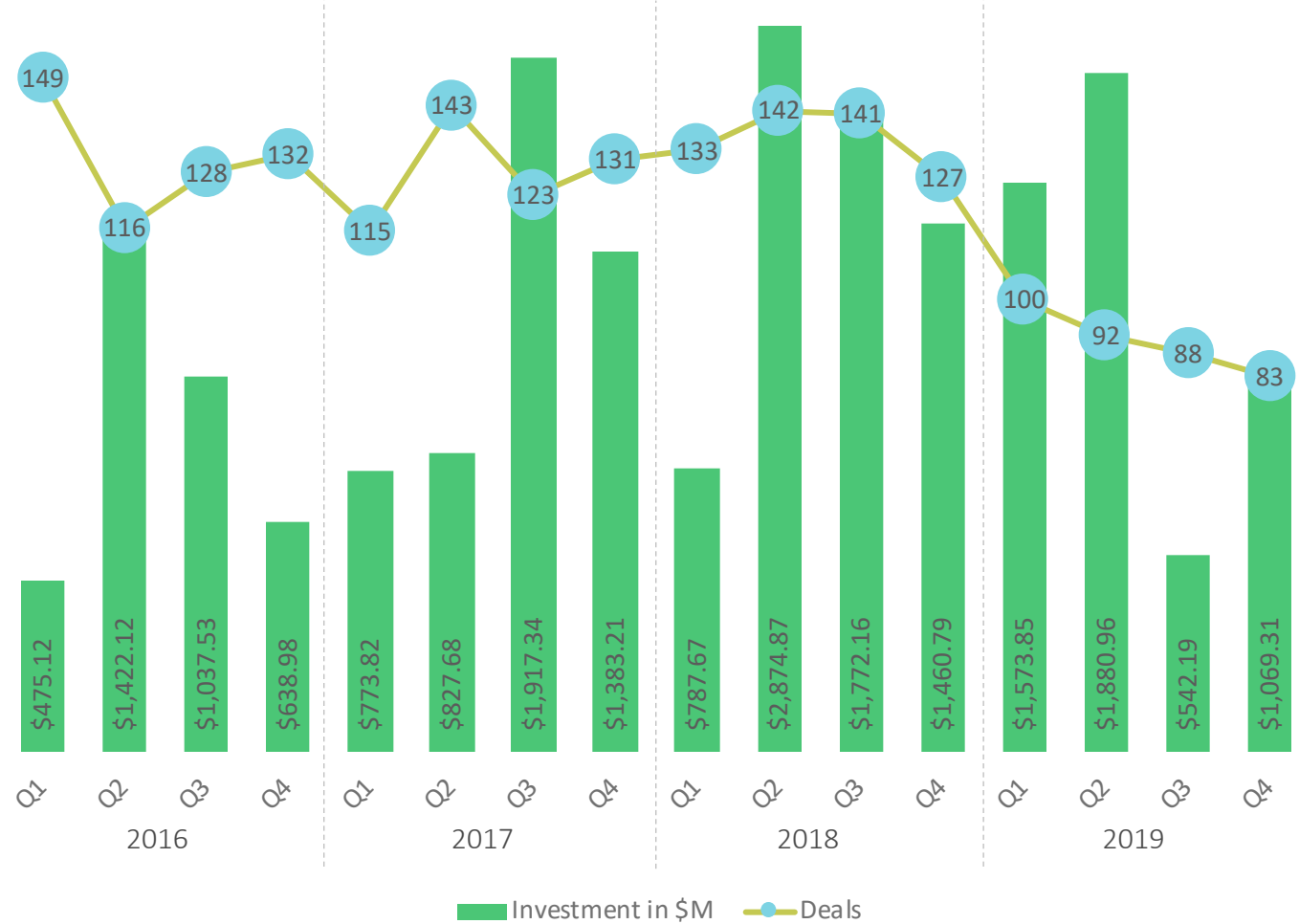
	Q1	Q2	Q3	Q4
2016	149	265	393	525
2017	115	258	381	512
2018	130	269	408	532
2019	100	190	276	351

Cumulative Deal Value by Quarter



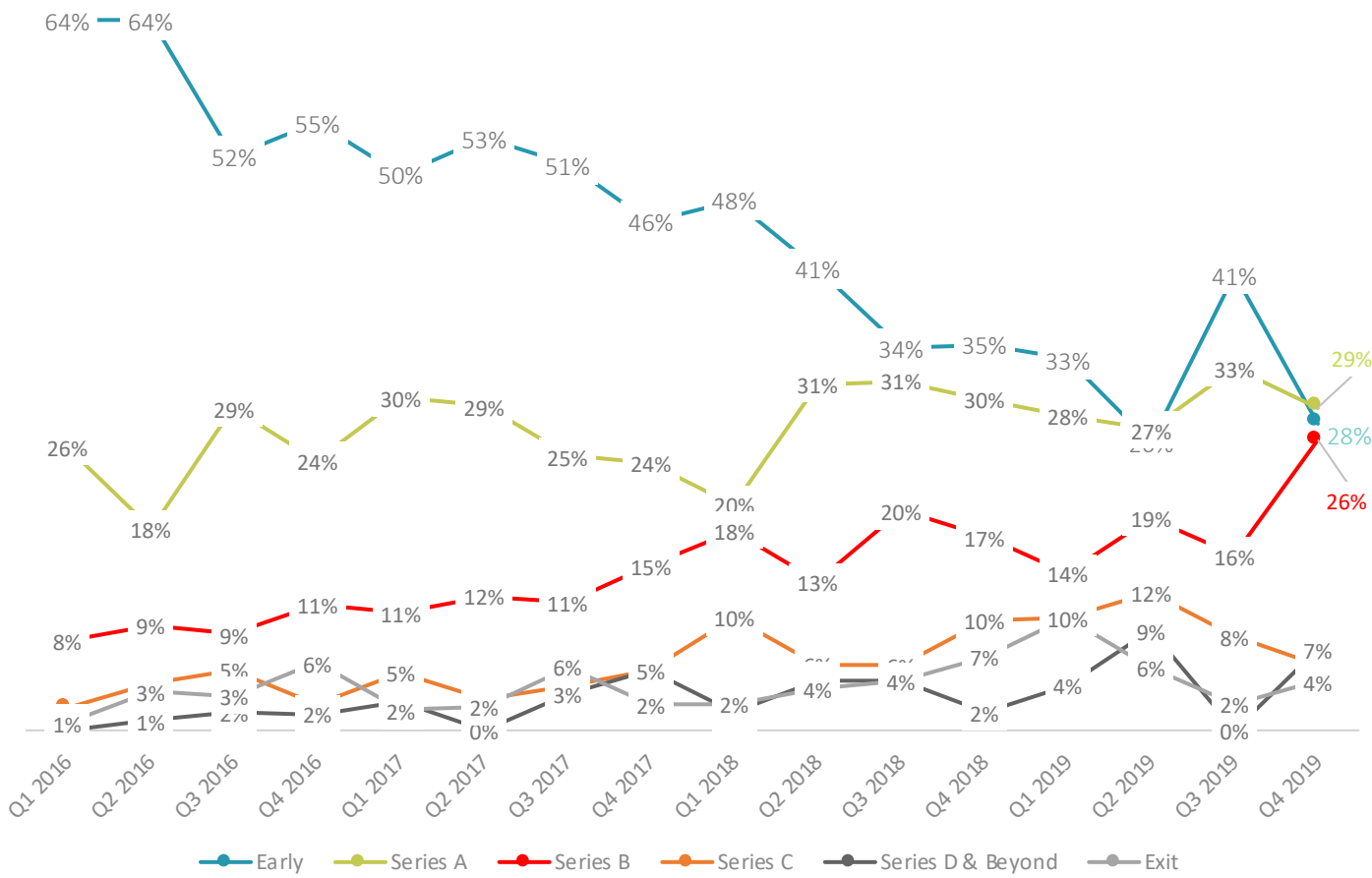
QQQ ASIA PACIFIC HEALTHTECH FUNDING HISTORY (2016 – 2019)

- After recording its weakest Q3 since 2016, Q4 bounced back and closed ahead of the \$1B mark
- Q4 2019 continued its shrinking trend to become the 5th consecutive decline in deal volume closed across the region
 - Deal count in Q4 2019 was down 43% vs Q4 2018
- Despite this downward trend, average deal size in Q4 2019 was \$19.9M, up 25% YOY
- Cumulative deal value since 2016 exceeded \$20.2B



QQQ ASIA PACIFIC HEALTHTECH DEAL VOLUME SHARE BY STAGE (2016-2019)

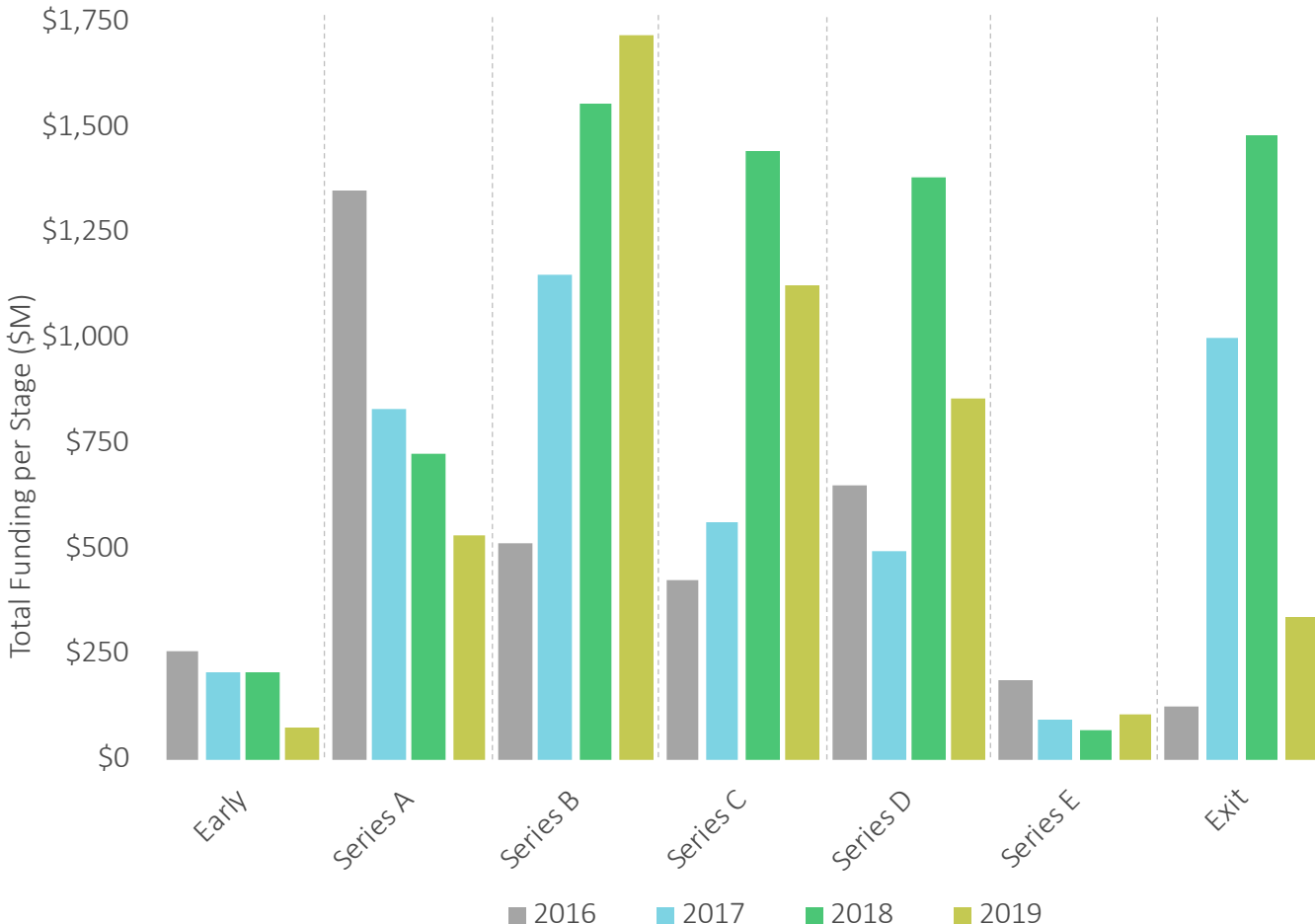
- Quick Facts on Q4 2019 deal volume share:
 - 28% at Early stage, down 32% vs Q3 2019 and down 20% vs Q4 2018
 - 61% at Growth stage, up 7% vs Q3 2019 and up 7% vs Q4 2018
 - 7% at Late stage, vs no Late stage investment in Q3 2019 and up 3.4x Q4 2018
 - Exits include 1 M&A and 2 IPOs in H2 2019, totaling 12 M&As and 6 IPOs in 2019, down from 17 M&As and 5 IPOs in FY 2018
- Early Stage funding volume continued to decrease recording a 32% share in 2019 vs 40% in 2018
- Growth Stage investments continued to be driven largely by Series A and B investments, accounting for more than 57% of all deals in 2019, up 6% vs 2018
- Series D events became more evident, closing a total of 16 in 2019, up from 14 in 2018



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

ASIA PAC HEALTHTECH FUNDING BY STAGE SINCE 2016

- Total Early stage deal volume in 2019 dipped 47% while the total funding value shrunk significantly to a total of \$70M, representing a 65% decline compared to 2018
- Growth stage deals captured 66% of total funding in 2019, up 22% by value share compared to 2018
- YOY total Growth stage deal value deployed in 2019 dipped 12%:
 - Total volume and value of Series A deals decreased by 47% and 18%, respectively
 - Series B deals closed at \$1.63B, higher than in 2018 and claimed 33% of all deals, up 41% vs 2018
- Late stage deal value share remains unchanged at 20%, on par vs 2018



ASIA PAC HEALTHTECH PIPELINE 2019

The Asia Pac investment funnel stage volume load analysis continues to demonstrate a healthy pipeline of innovation with over 70% of startups at Early and Series A stages whilst later stage deals continue to track steadily upwards

No change:

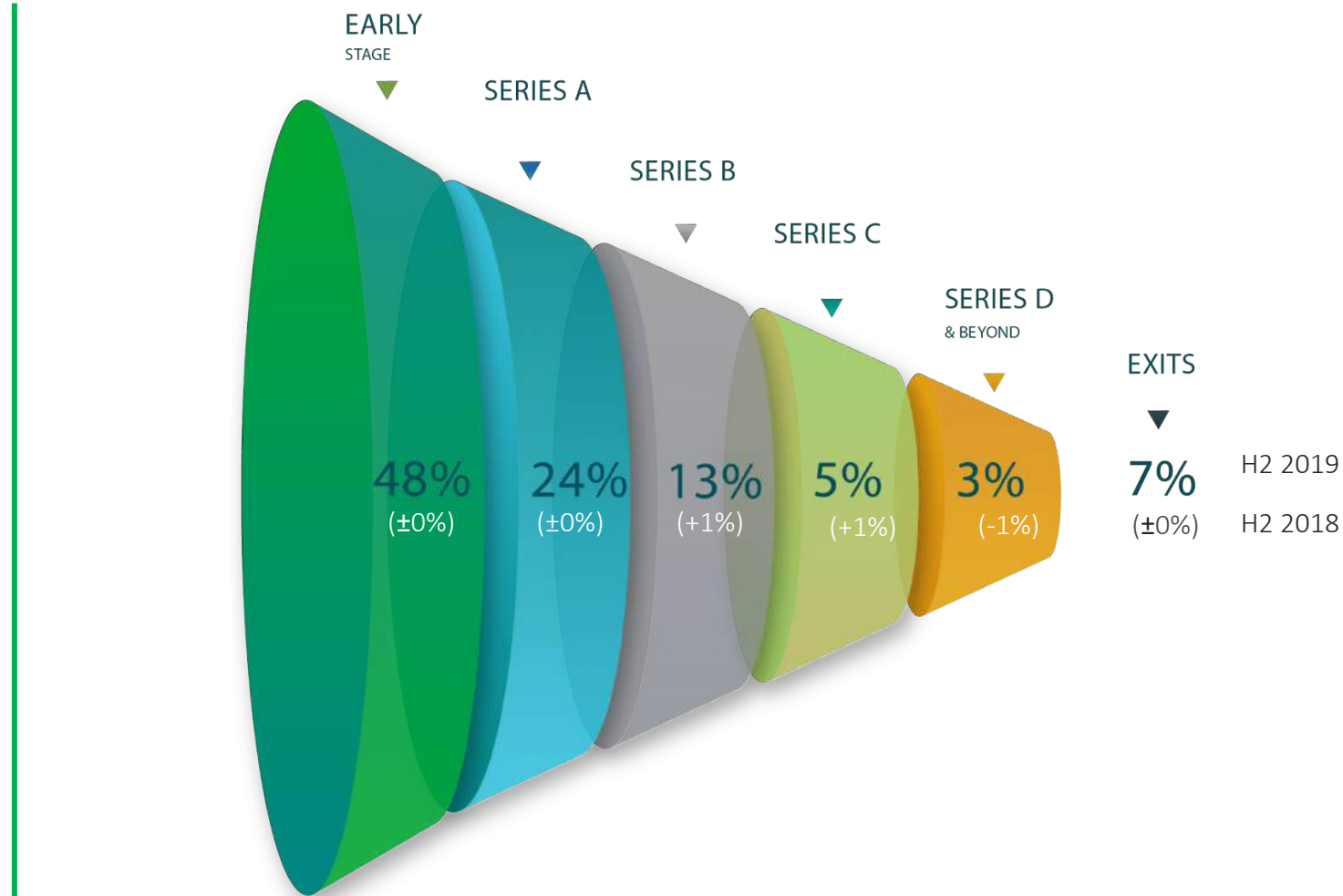
- 48% of all startups in Asia Pac are at Early Stage (angels, seed or pre-A funding)
- 24% of HealthTech startups are at Series A funding stage

Upward trend:

- Series B and C startups up 1%, respectively

Downward trend:

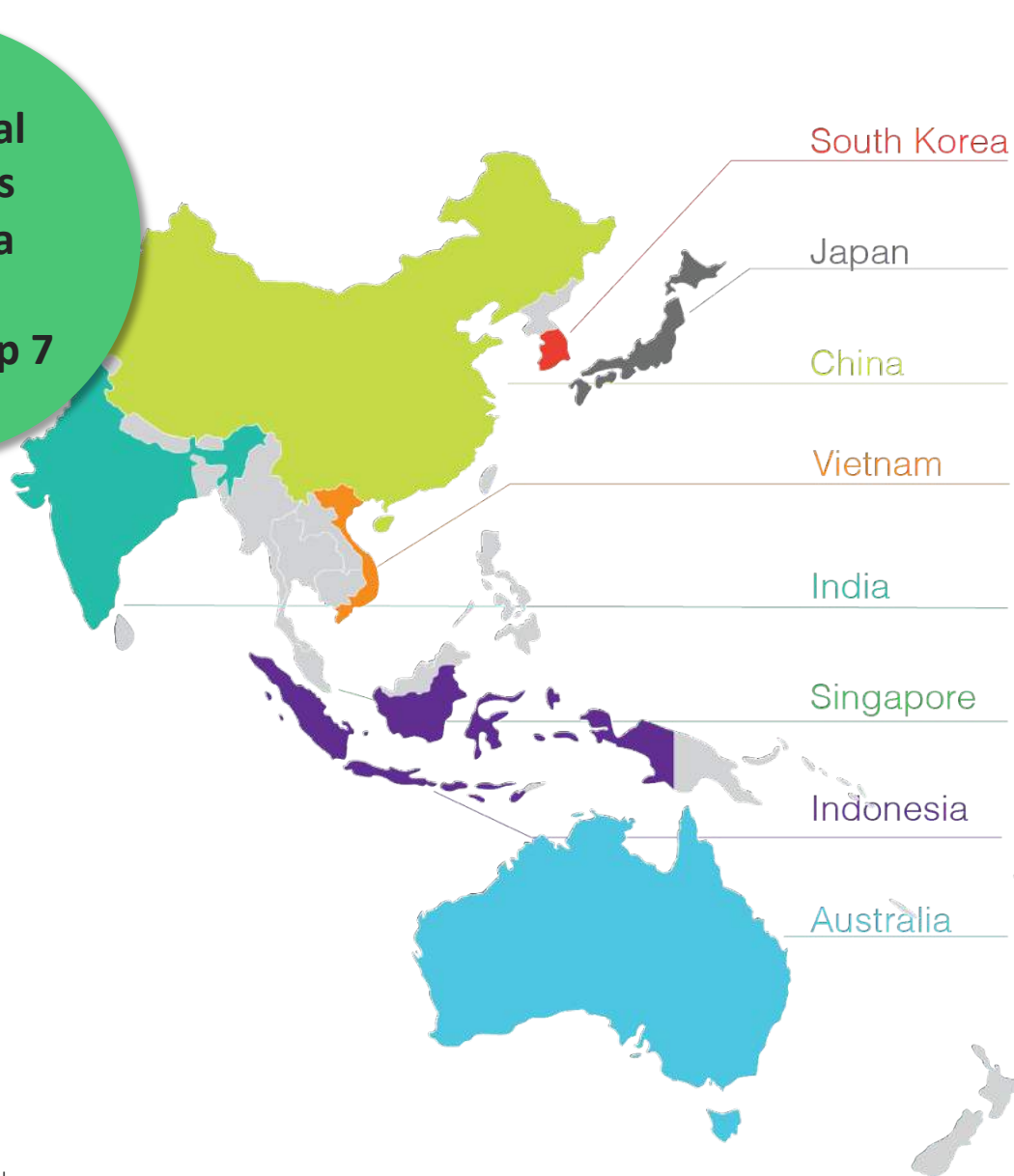
- In 2019, mega rounds represented 39% of the total funding invested, down from 52% in 2018
- 2019 recorded a total of 18 exits (IPO, M&A) vs 22 in 2018



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

2019 HEALTHTECH ECOSYSTEM LEADERBOARD

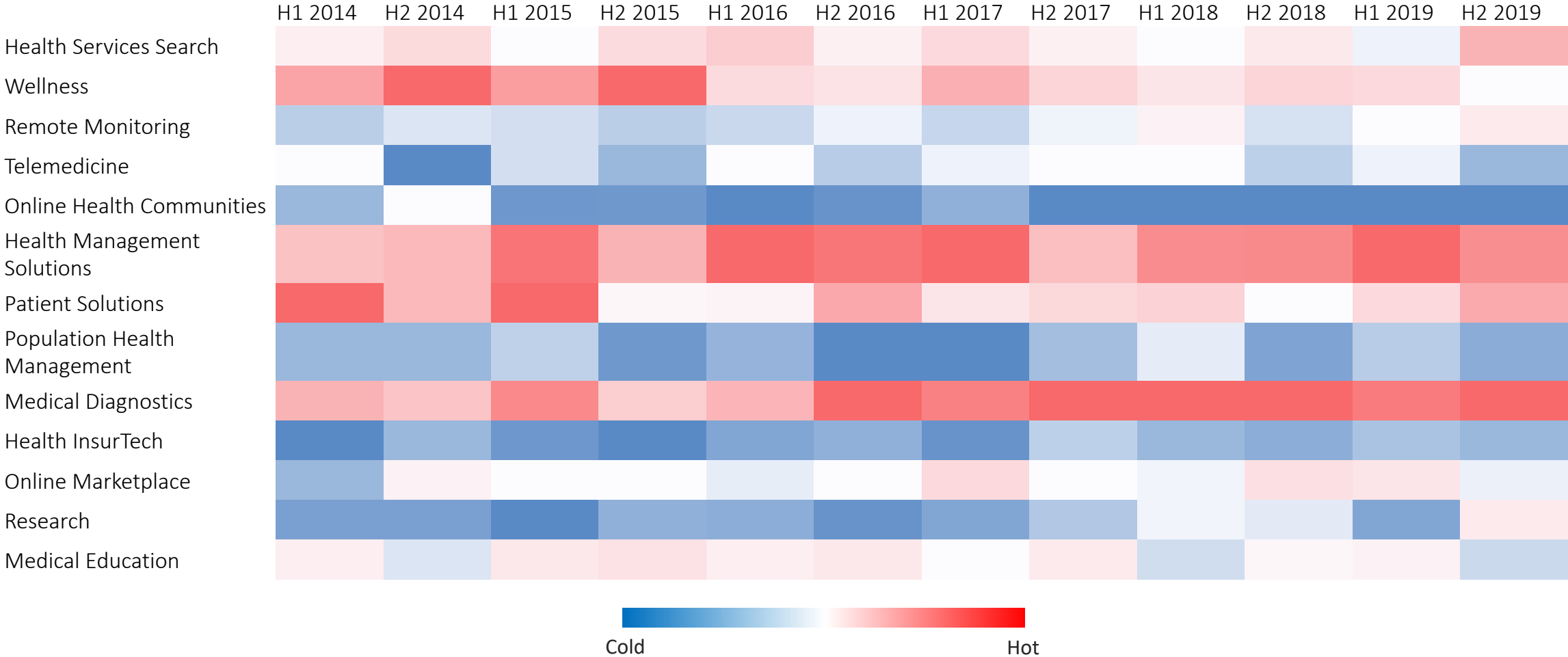
China total funding is 4.8x India and 2.3x the top 7



	Ecosystem Share	Deal Volume Share	Total Deal Value	Rank	+/- 2018
South Korea	5%	17%	241 ^M	3	↑
Japan	6%	11%	178 ^M	4	↓
China	30%	33%	3.47 ^B	1	↓
Vietnam	1%	2%	7 ^M	8	↑
India	25%	19%	723 ^M	2	↓
Singapore	10%	7%	128 ^M	5	↑
Indonesia	4%	2%	120 ^M	6	↑
Australia	10%	4%	71 ^M	7	↓

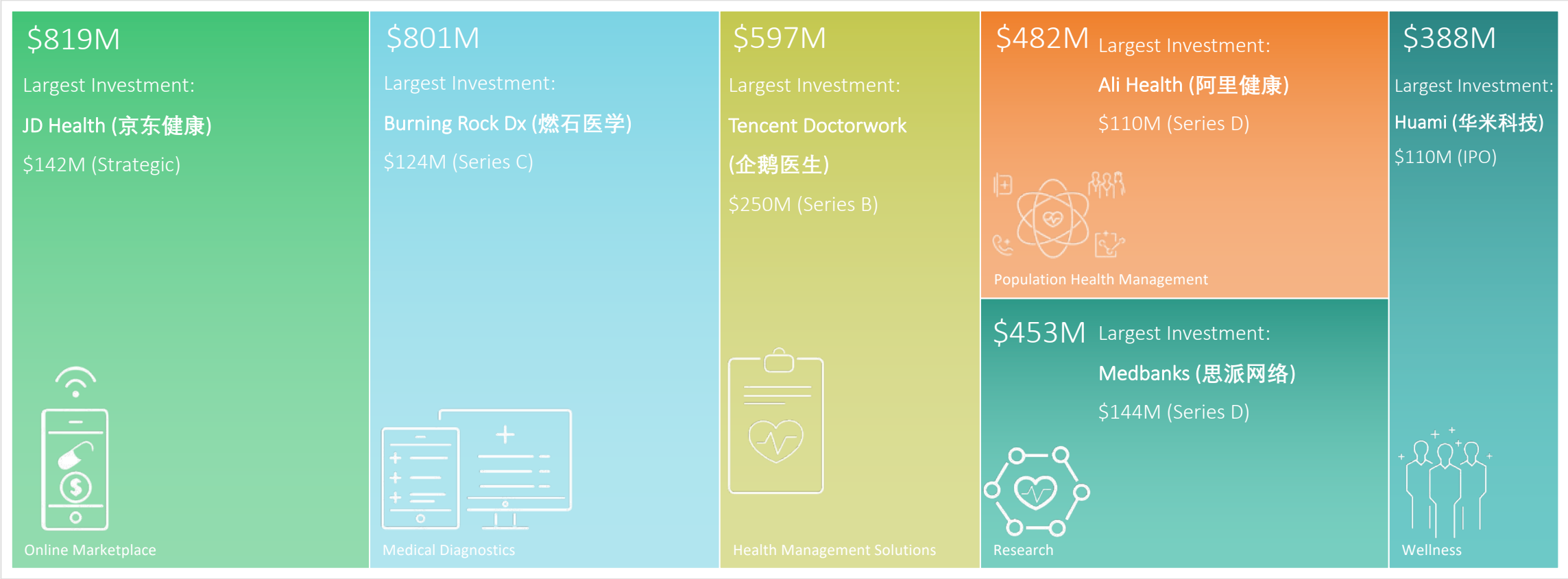
YOY HEALTHTECH CATEGORY ATTRACTIVENESS

Health Management Solutions, Medical Diagnostics and Patient Solutions have been the top 3 most attractive HealthTech categories by deal volume since 2014 with Health Services Search regaining momentum in 2019



HEALTHTECH MOST FUNDED CATEGORIES BY VALUE

Mirroring Full Year 2018, category attractiveness by deal value remains unchanged but it should be noted that Research, Medical Diagnostics and Health Management Solutions are trending upwards



HEALTHTECH CATEGORY SHARE BY DEAL VOLUME

Category attractiveness, defined by deal volume, reveals Medical Diagnostics moving into pole with both Patient Solutions and Telemedicine stepping up into the top 5 in 2019



ASIA PAC DEAL SIZE DISTRIBUTION (2014 –2019)

- With average deal size growing, we are witnessing a reduction in volume of funding deals of less than \$5M
- Deals between \$5M and \$25M increased in volume, accounting now for 24% of all deals
- Deals of \$50M and above now representing 7% of all deals by volume, up 2% vs 2018
- Mirroring the current maturity of the ecosystem, deals above >\$150M remained outliers

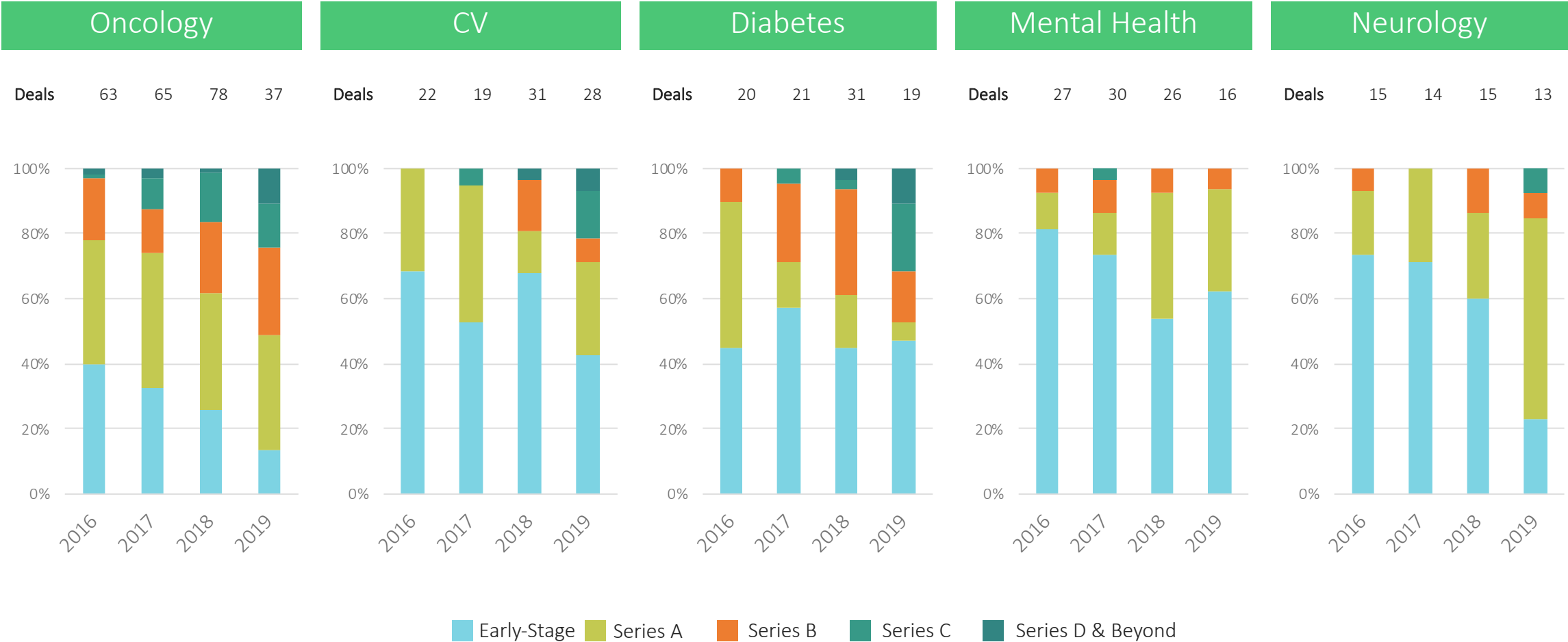
	<\$1M	\$1 – \$5M	\$5 – \$10M	\$10 – \$25M	\$25 – \$50M	\$50 – \$100M	\$100 - \$150M	\$150 - \$200M	\$200 - \$250M	\$250 – \$500M	> \$500M
2019	14%	20%	11%	15%	5%	4%	2%	0%	0%	1%	0%
2018	16%	22%	10%	9%	5%	2%	2%	0%	1%	0%	0%
2017	22%	22%	9%	9%	4%	2%	1%	0%	0%	0%	0%
2016	27%	24%	5%	7%	4%	1%	1%	0%	0%	0%	0%
2015	27%	22%	7%	8%	4%	1%	1%	0%	0%	1%	0%
2014	30%	23%	7%	6%	6%	2%	2%	1%	0%	0%	0%
2013	43%	25%	10%	9%	3%	0%	0%	0%	0%	0%	0%
2012	28%	18%	18%	10%	0%	0%	0%	3%	0%	3%	0%

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



MOST ATTRACTIVE THERAPEUTIC FOCUS AREAS BY VOLUME

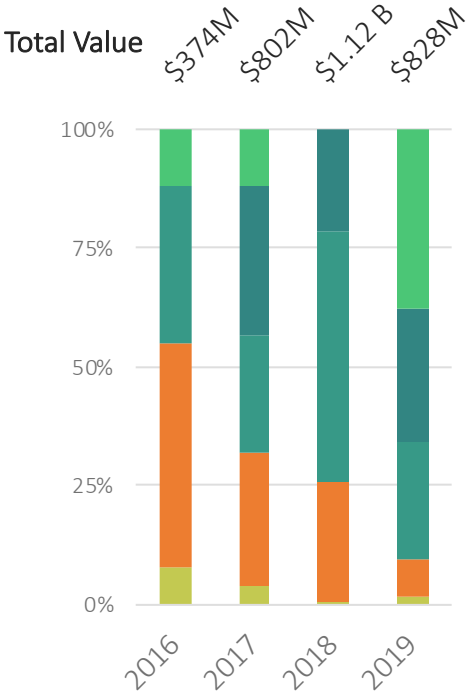
New to this bi-annual report, we consider therapeutic area attractiveness, which when defined by deal volume, highlights that Oncology is a key focus, receiving more of the later stage funding than other disease areas



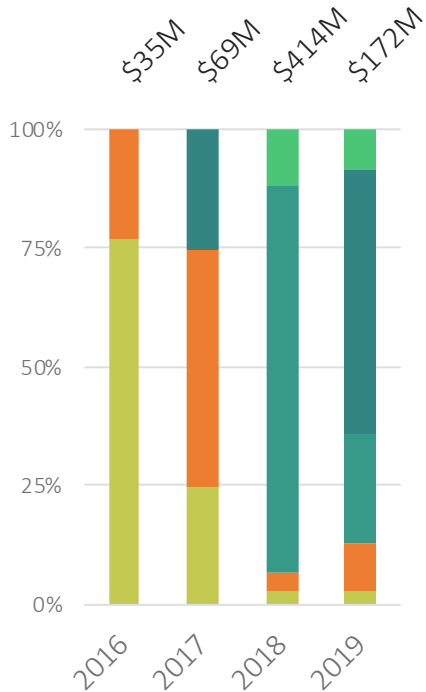
MOST ATTRACTIVE THERAPEUTIC FOCUS AREAS BY VALUE

Also new to this report, we consider therapeutic area attractiveness defined by deal value which highlights that Oncology is also receiving more funding dollars than other disease areas

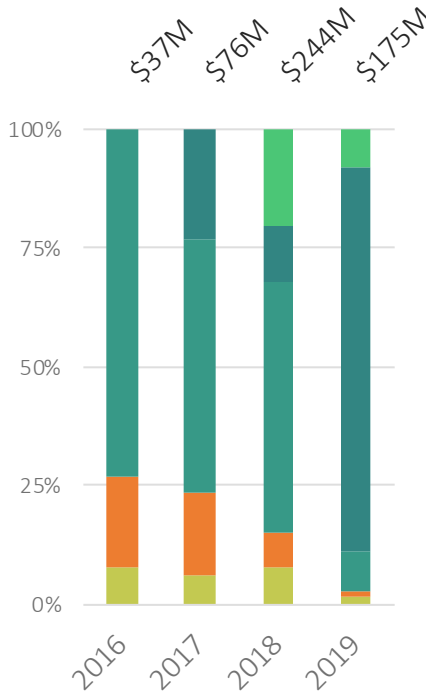
Oncology



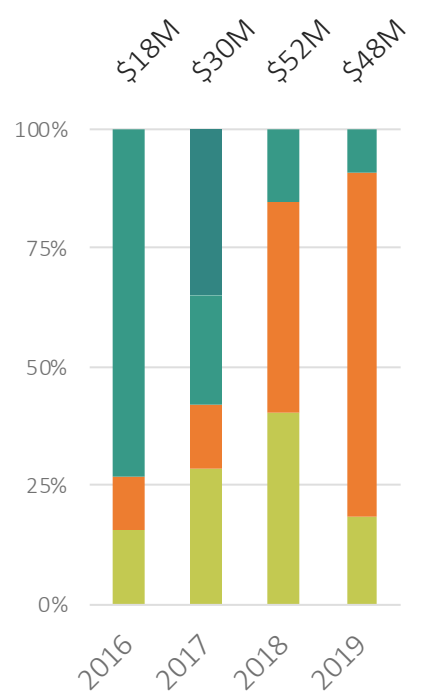
CV



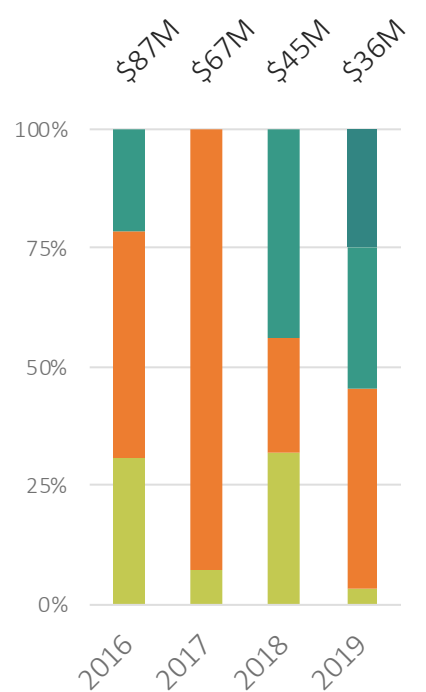
Diabetes



Neurology











Mental Health



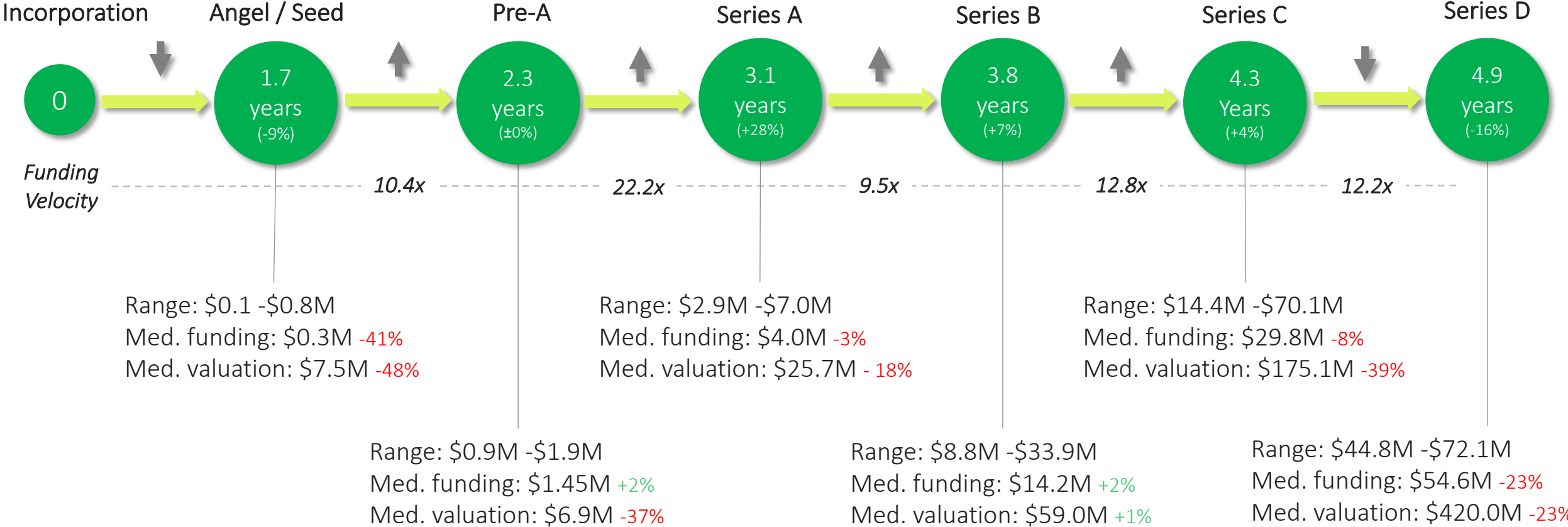
Early-Stage Series A Series B Series C Series D & Beyond

2019 ASIA PAC MOST ACTIVE INVESTORS

Despite the ongoing dip in venture capital activities in HealthTech in China, the most active investors remain those those on the Mainland

Investor	Country	2019 HealthTech Deals	Total Number of HealthTech Deals since 2012	Latest Participated Investment	Amount Raised
 Tencent 腾讯	China	9	42	AllinMD (唯医骨科)	\$100 M (Series B)
 SEQUOIA	China	9	30	Yaoyanshe (药研社)	\$42.1 M (Series C)
 IDG Capital	China	6	32	Weimai (微脉)	\$100.0 M (Series C)
 Aflac Innovation Partners	Japan	6	9	Lily MedTech	\$8.6 M (Series B)
 中金集团 China Capital Investment Group	China	5	9	Shuidi (水滴互助)	\$142.0 M (Series C)
 联想之星 Legend Star	China	5	20	Changmu Medical (长木谷)	Undisclosed (Pre-A)
 matrix PARTNERS CHINA 经纬中国	China	5	65	Yaehar Healthcare (怡禾健康)	\$5.6 M (Series A)
 SMBC SMBCベンチャーキャピタル	Japan	5	12	T-ICU	\$1.3 M (Series A)

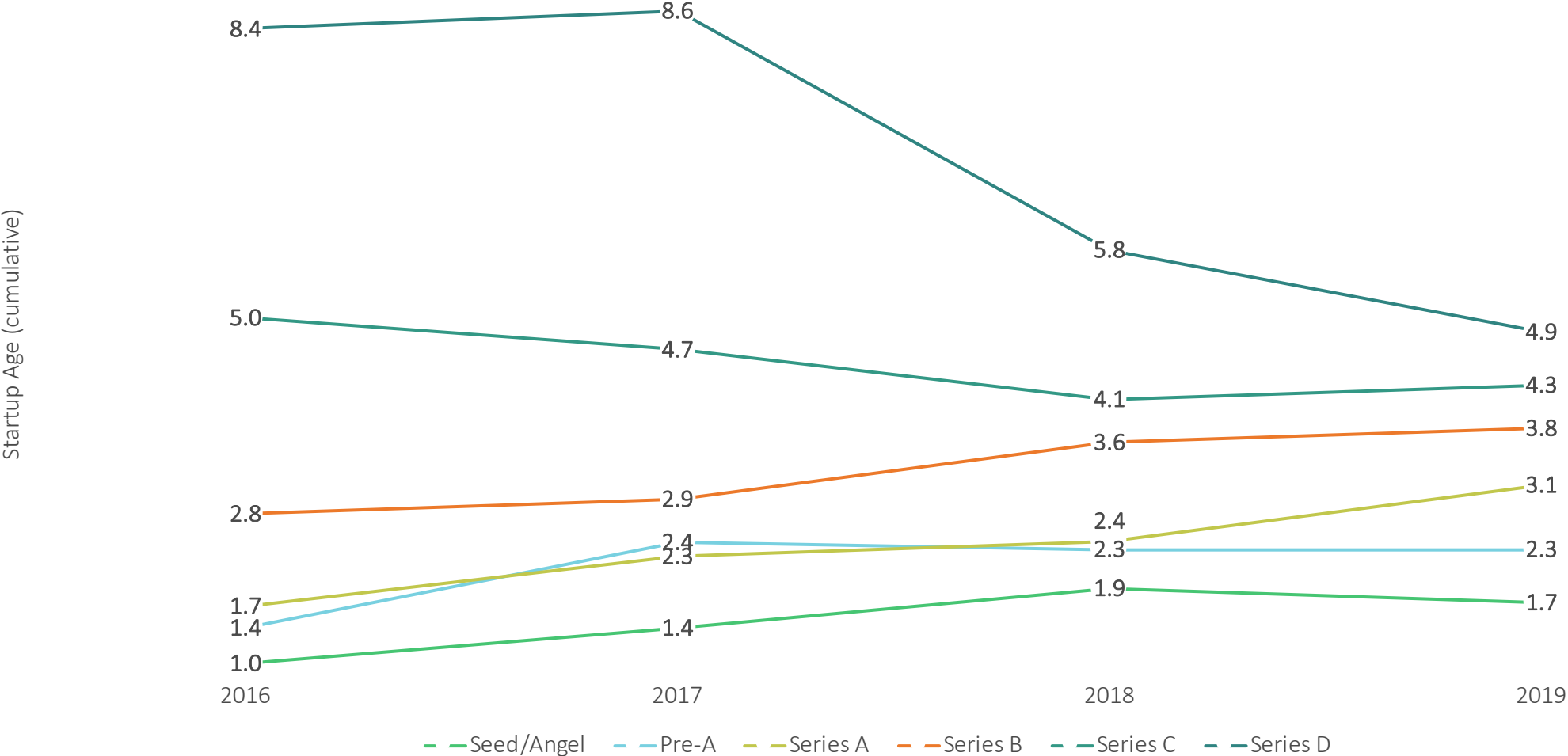
HEALTHTECH STARTUP FUNDING LIFE CYCLE KEY METRICS (2019)



Note: "Med" indicates median
 Note: (1) Percentages in bubbles represent delta vs FY 2018 (2) Mid stage arrows indicate whether time between stages has increased or decreased vs FY 2018 (3) Startup age is median and cumulative
 Note: Range indicates the range between the 1st Quartile and the 3rd Quartile and therefore eliminates outliers

MEDIAN STARTUP AGE AT FUNDING ROUND

Whereas the Seed/Angel and Pre-A venture median age remains generally flat, Series A and B venture median age has been steadily rising reflecting growing investor bias towards more clinical type solutions





ASIA PACIFIC
OUR POINT OF VIEW

OUR POINT OF VIEW

The Asia Pac HealthTech ecosystem's strong momentum continues with the full year 2019 closing at US\$5B invested, well ahead of our Q3 2019 forecast

After recording its weakest quarter since 2016 in Q3 driven by geopolitical and domestic economic headwinds, Asia Pac recorded another US\$1+B quarter in Q4, ending the year down 27% versus 2018 across 340 deals, a volume decline of 25%. Despite this, average deal size was US\$14.5M, up 12% YoY.

Early stage ventures deal count share and average deal size shrink: The volume of deals, up to and including Pre-A stage, as a share of Asia Pac dipped by 47%, whereas total Series B and C deal value continued to grow, grabbing 66% of total funding. Have Growth stage investors now saturated their available deal flow thus requiring them to adapt their mandates to address the sizeable and promising funnel of Early and Series A stage ventures or will deal quality begin eroding?

China slows, however India and SEA break records: With 70% of total Asia Pac HealthTech funding by value (down from 80%), dollars to VC-backed ventures in China shrunk 37% in FY 2019 YoY. This can be attributed to the uncertainty created by the US-China geo-political headwinds and the slowing China domestic economy.

India's momentum, after a significant dip in value and volume in Q1, accelerated to break all previous records to close at US\$723M, confirming our prediction last July that it will surpass 2018's total to be its biggest year historically.

New in our 2019 reports, our **SE Asia** analysis confirms that the sub-region has doubled its invested total in FY 2019 to close at US\$266M, also breaking all previous records, reflecting its growing maturity.

Froth Watch: Our assessment of FY2019 deals concludes that the ecosystem is not frothy and our concerns about valuations decoupling have not increased in 2019.

Consistency at the top for most attractive categories: Medical Diagnostics, Health Management Solutions and Patient Solutions, amongst the top 3 in 2019, have been the most attractive categories by deal count since 2014.

Oncology attracts the lion share of dollars invested: New to this report, we analyse which diseases are attracting the most invested dollars. With over 50% of Asia Pac's HealthTech ventures declaring a disease focus, we conclude that oncology receives a greater share of the later stage funding and that mental health and neurology are fast growing therapeutic areas.

Corporations are building even more partnerships with startups: A key driver of growth, 2019 witnessed 140+ partnerships announced, up on 2018, between strategics, both incumbents and new entrants, and the region's most promising ventures.

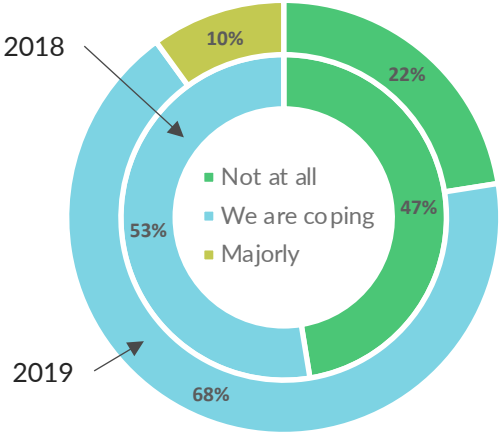
Industry and investor sentiment for HealthTech in Asia Pac continues to be strong: A greater number of enterprise business leaders confirmed that HealthTech is a high priority but the majority shared that they are dissatisfied by their organisation's strategy and set up to win. Investors' likelihood of investing in HealthTech in Asia Pac has grown further, despite a rising number declaring being impacted by the geopolitical headwinds, however access to deal flow is an increasing challenge.

Notwithstanding the previously mentioned headwinds, the Asia Pac HealthTech ecosystem has demonstrated its resilience: Galen Growth expects the Asia Pac HealthTech ecosystem to continue on its growth trajectory in 2020. Sub-regions such as India and SEA are expected to build on their 2019 momentum. China, the dominant ecosystem in the region, appears to be brokering an important deal with the USA which is entering an election year.

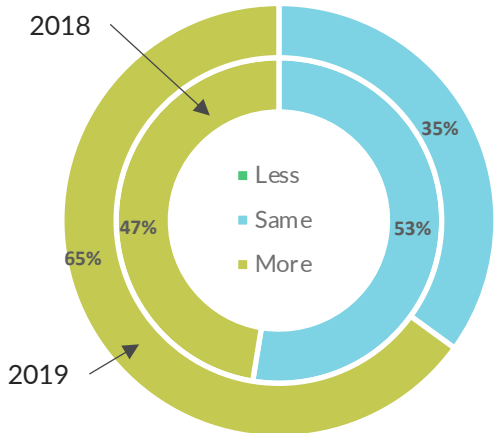
2019 ASIA PAC HEALTHTECH INVESTOR SENTIMENT

Despite a growing number being impacted by the geopolitical headwinds, investors' likelihood of investing in HealthTech in Asia Pac has grown further however access to deal flow is an increasing challenge

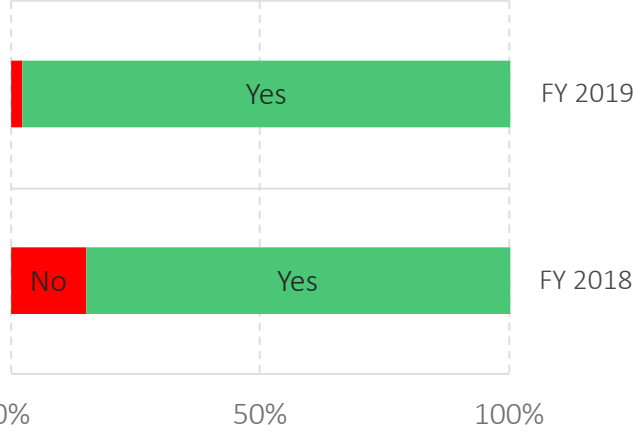
Impact of US/China Trade war



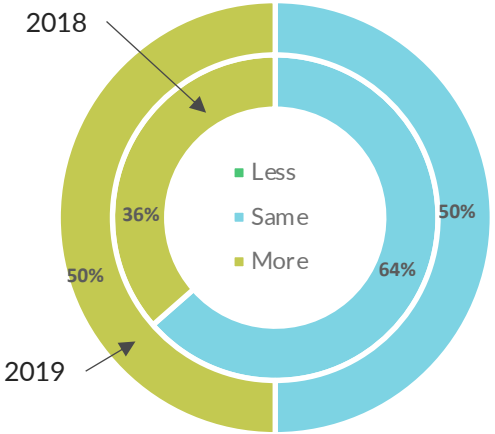
Interest level in HT vs 2018



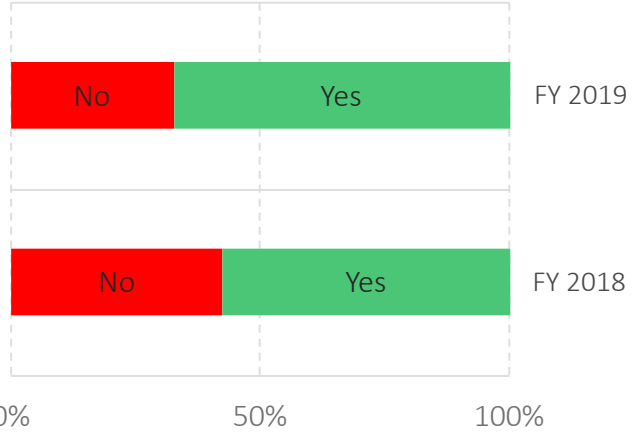
Likelihood of investing in Asia HT in 2020



Organization Bullishness 2020 vs 2019



Is deal flow access a challenge?









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

2019 FROTH WATCH VERDICT: NOT FROTHY

- With HealthTech rapidly becoming a significant share of total Asia Pac venture capital asset class, funding is increasingly tied to macro-economic cycles as evident in the 2019 trends
- Subsequently, our previous concern about valuations decoupling has not increased in 2019
- If and when capital becomes harder to close, HealthTech ventures will need to prove that they can deliver under their own steam

Legend:



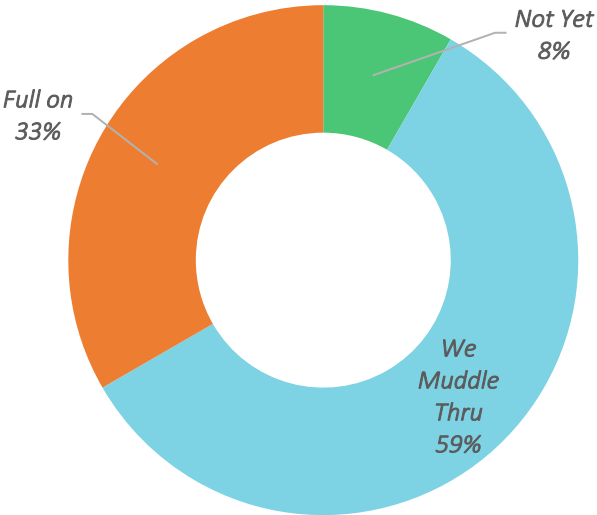
Frothiness Indicator	How Asia Pac HealthTech measures up?	Our Prognosis
Hype supersedes business fundamentals	<ul style="list-style-type: none"> • Startups must figure out how to navigate biz dev, regs and scale in a complex industry. Entrepreneurs are actively moving towards sustainable business models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

Note: Adapted from the Rock Health published framework

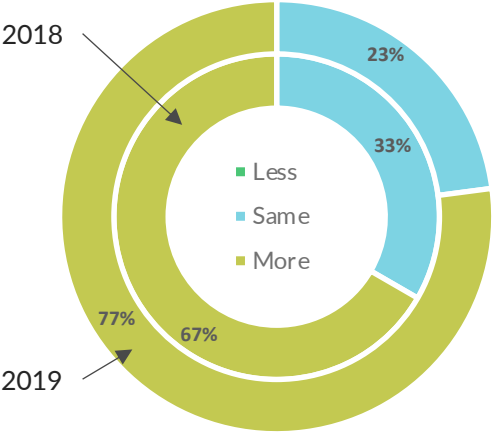
2019 ASIA PAC HEALTHTECH CORPORATE SENTIMENT

Corporate business leaders interest in HealthTech continues to grow however a significant number of them remain unsatisfied by their organisation’s strategy and set up to win despite positive progress

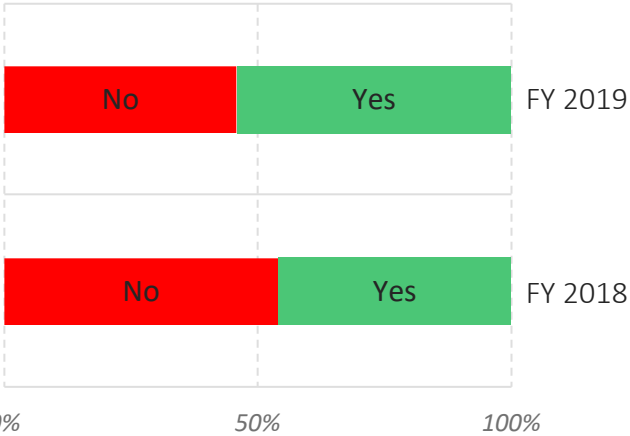
We have a defined HealthTech strategy



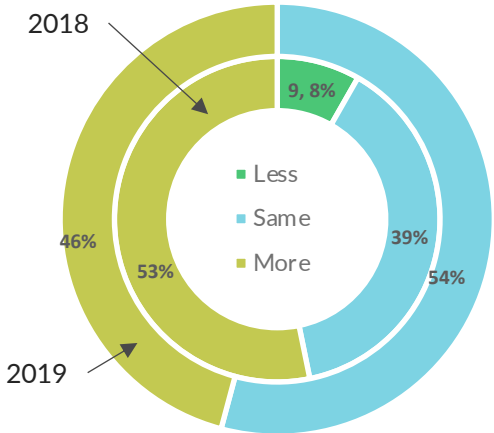
Organization interest level in HT vs 2019



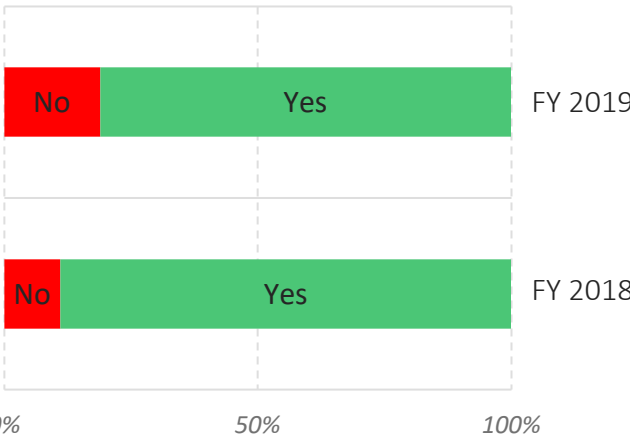
Set up to engage successfully w/ Asia HT



Organization Bullishness in 2020 vs 2019



Build more partnerships in 2020 vs 2019

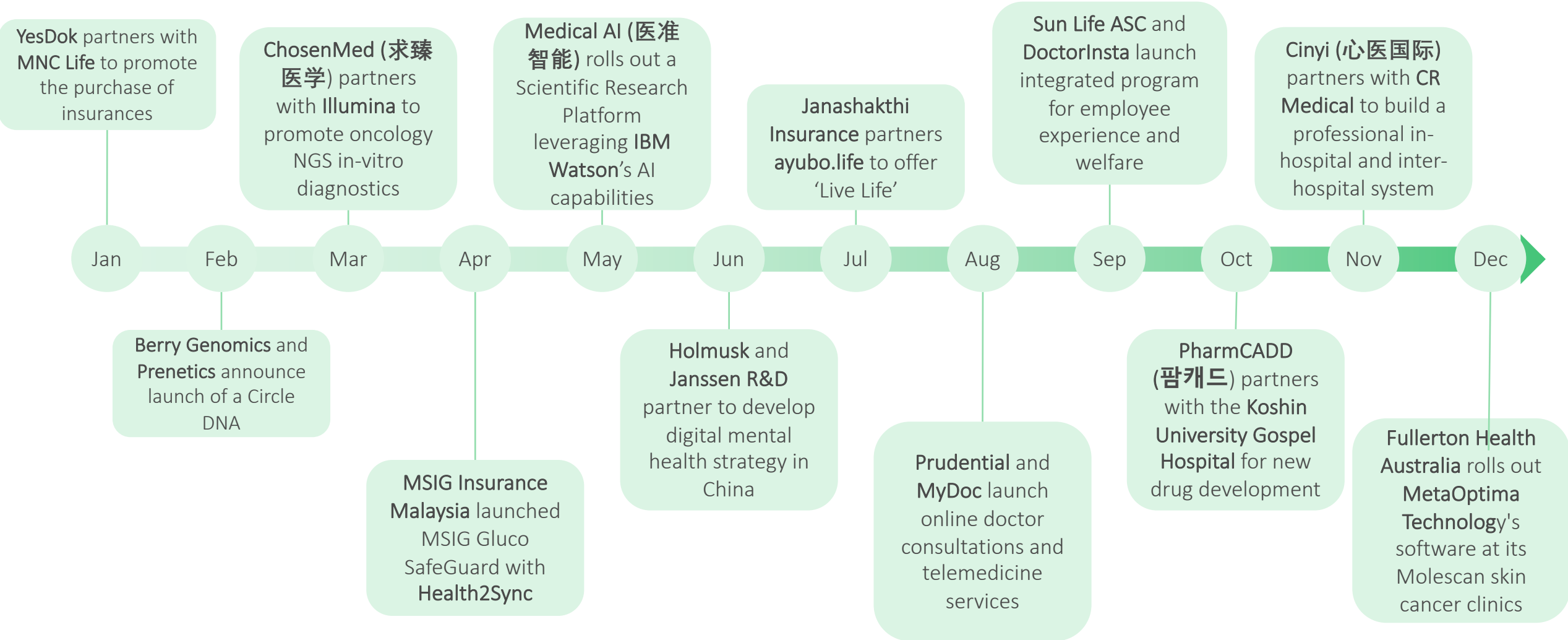


Source: Galen Growth - Asia Pac HealthTech Sentiment Survey – Dec 2019

2019 NOTEWORTHY PARTNERSHIPS

Not exhaustive

2019 saw over 140 partnerships announced between Asia Pac HealthTech ventures and corporations to scale proven digital health solutions and extend enterprise business models



CHINA

INVESTMENT

TRENDS

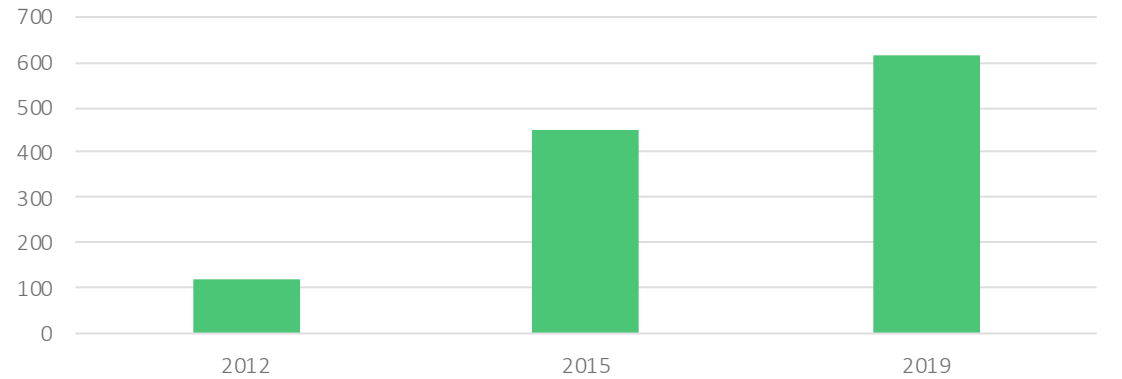


CHINA – HEALTHTECH OVERVIEW

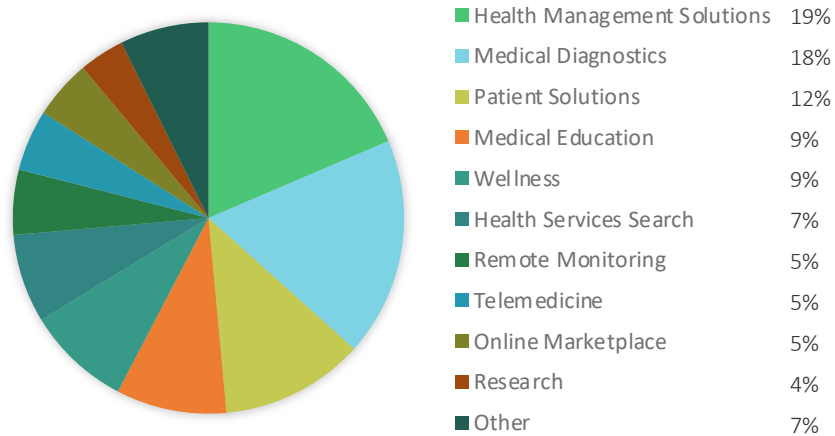
Key Innovation Nodes



Number of HealthTech Ventures

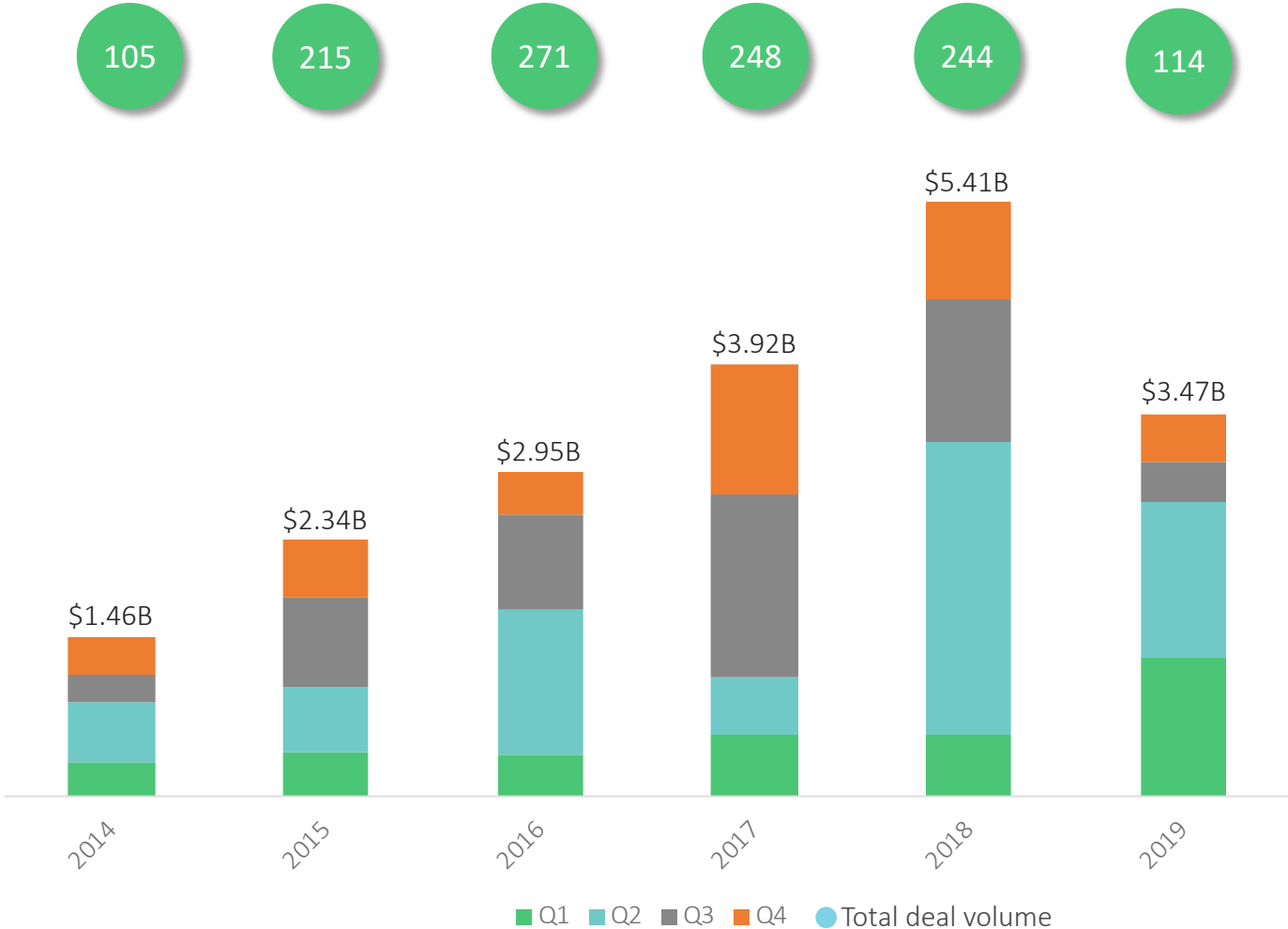


Category Distribution Share



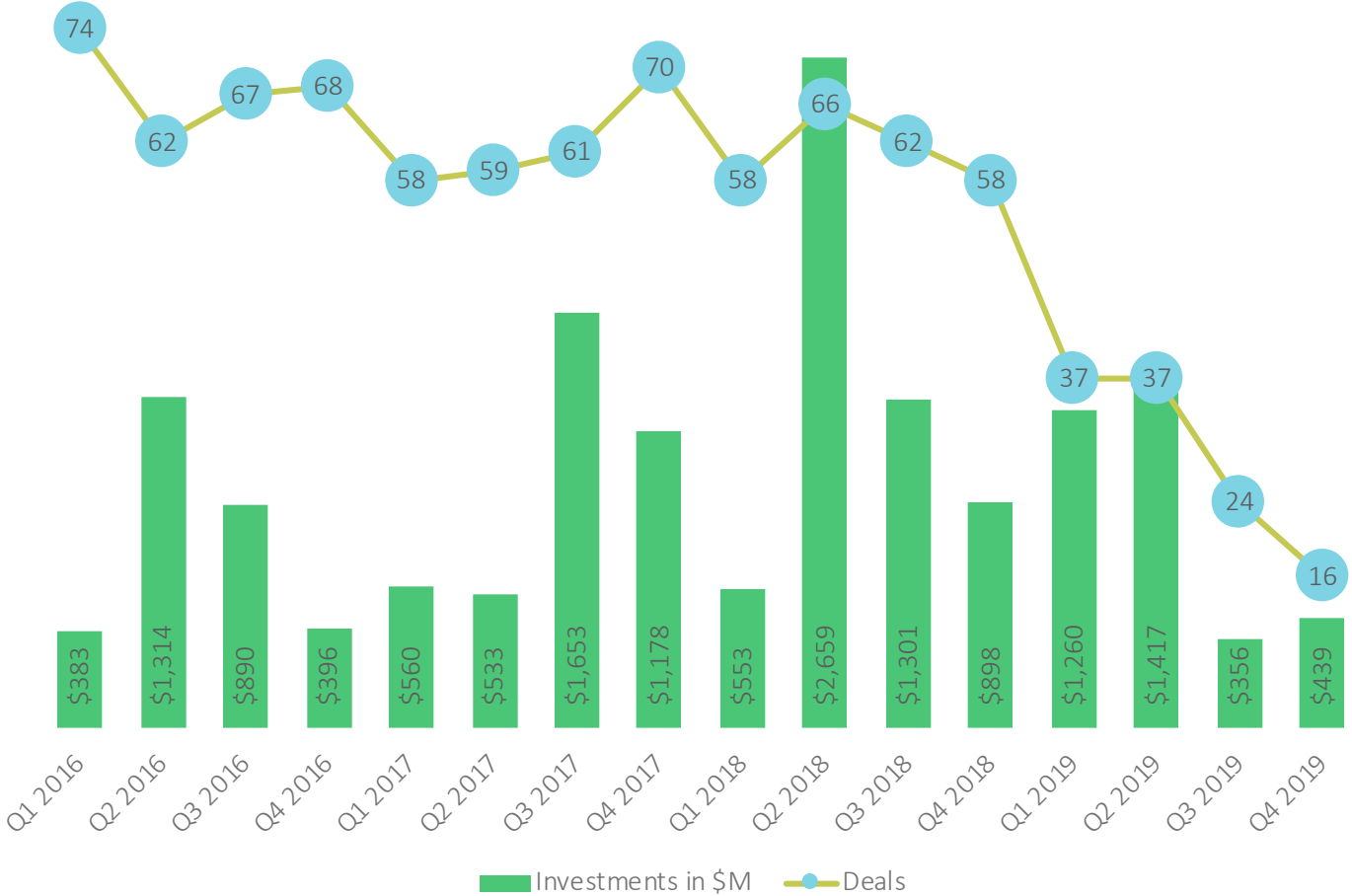
CHINA HEALTHTECH FUNDING HISTORY (2014 – 2019)

- 2019 recorded a total of \$3.4B invested compared to \$5.4B in 2018, down 37%
- Geopolitical headwinds and domestic economic slowdown are impacting investor confidence in China
- When excluding the Ping An Good Doctor outlier of 2018, funding still experiences a decline of 19%
- With 113 deals executed in 2019, investment volume is also down 54% vs 2018
- Despite lower deal volume and value, average deal size increases further to \$30.6M, up 38% vs 2018 and 93% vs 2017
- Cumulative deal value since 2016: \$15B



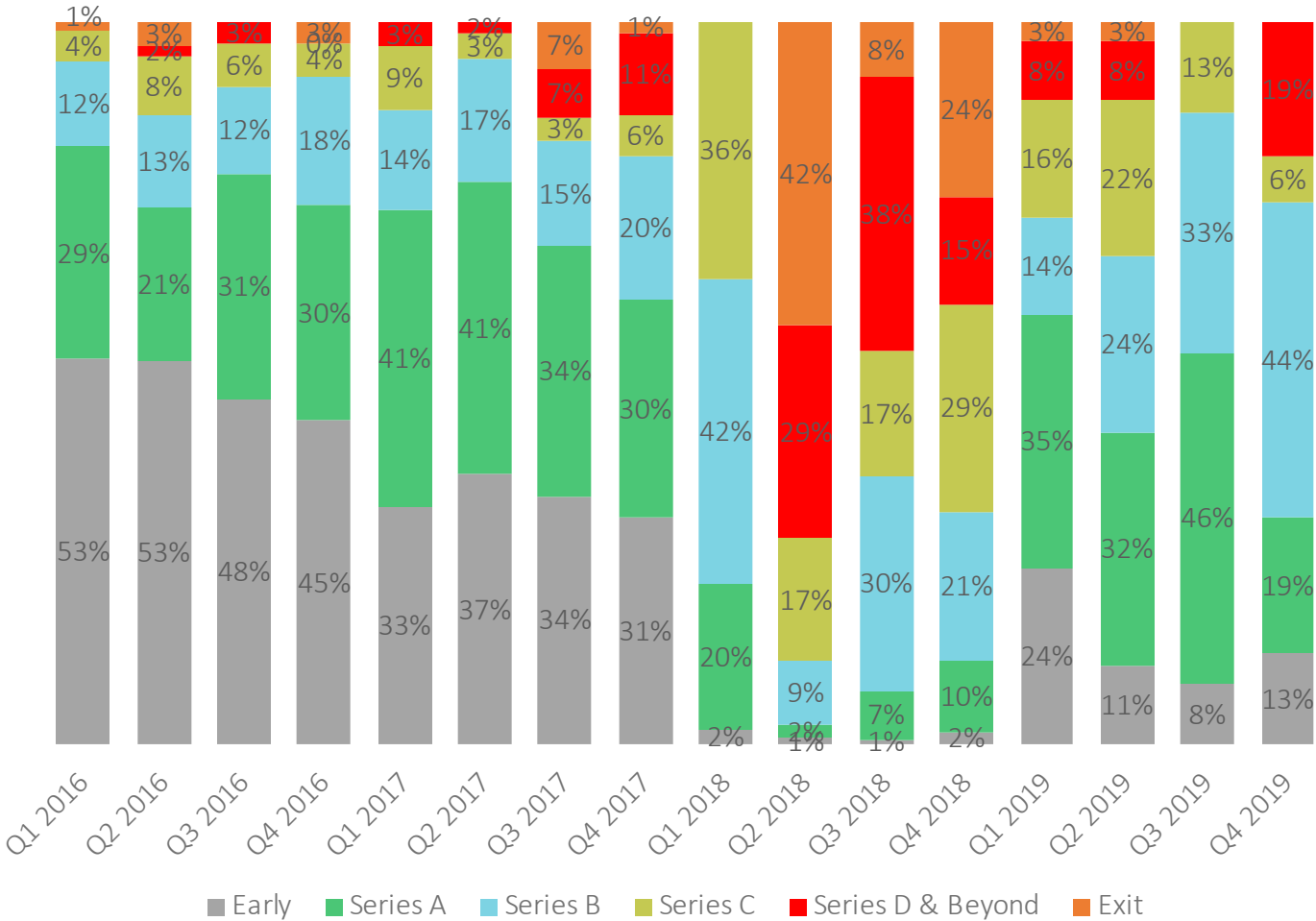
QQQ CHINA HEALTHTECH FUNDING HISTORY (2016 – 2019)

- H2 2019 total funding by value crashed, down 65% vs H2 2018
- The second half of 2019 recorded the lowest deal count since 2016 with a 35% decrease compared with H2 2018
- Funding activity in Q3 2019 was the lowest on record with a total of \$356M
- Mega deals in China in 2019 accounted for 48% of all funding deployed, down from 58% in 2018
- Despite a major decrease in both funding volume and value, average deal value for H2 2019 was \$19.9M, an increase of 6% from \$18.3M in H2 2018



QQQ CHINA HEALTHTECH DEAL VOLUME SHARE (2016 –2019)

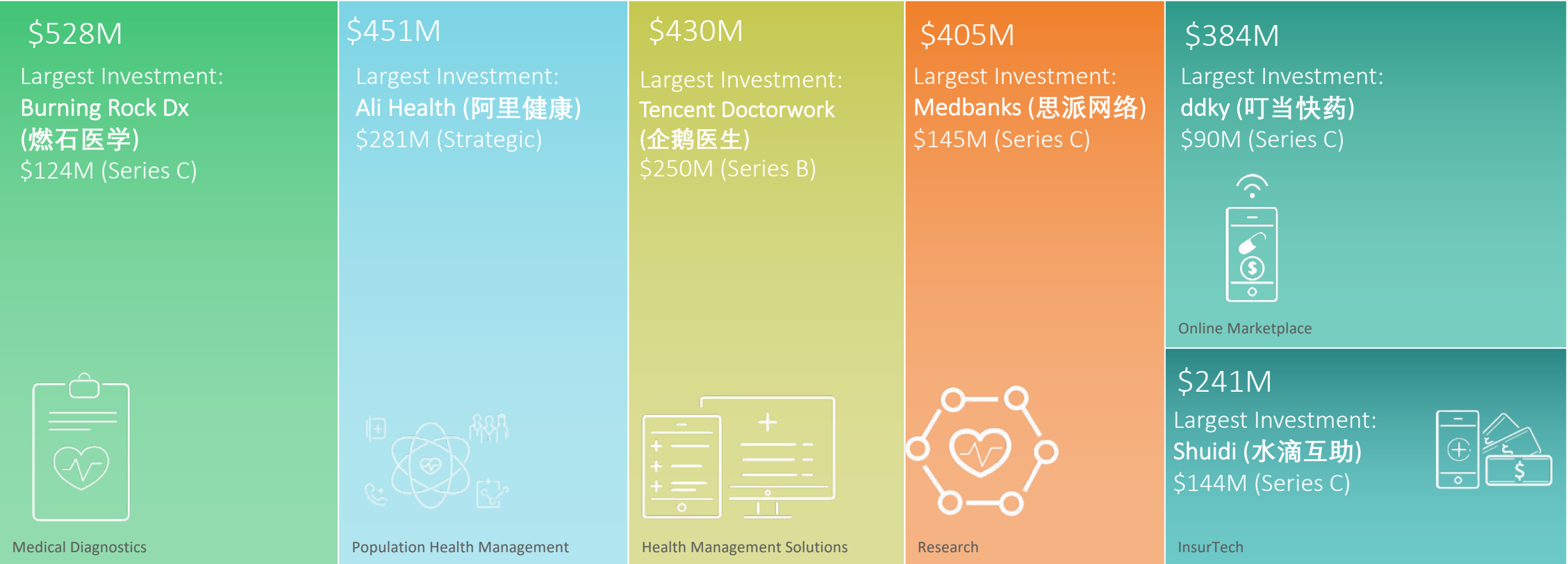
- Quick Facts on Q4 2019 deal volume share:
 - 13% at Early stage, up 50% vs Q3 2019 and up 6x vs Q4 2018
 - 69% at Growth stage, down 25% vs Q3 2019 and up 16% vs Q4 2018
 - 20% at Late stage, up 35% vs Q4 2018
- Series A and Series B deals now represent a total of 59% of all deals in China, up 2.3x vs 2018
- In contrast, in the past 12 months, Series D & beyond deal share only accounted for 7%, down from 26% in 2018



Note: Deals data exclude unspecified funding stage

CHINA HEALTHTECH MOST FUNDED CATEGORIES BY VALUE

Medical diagnostics remains the most invested category for the past 12 months both by value and by volume with as runner up Population Health Management recording the largest deal in 2019



CHINA DEAL SIZE DISTRIBUTION (2014 –2019)






- Unexpectedly, share of deals of <\$1M grew in 2019 vs 2018; yet investors’ appetite remains targeted towards bigger deal size despite lower funding activity in 2019
- Whilst the average deal value size share ranging from \$1M to \$10M fell to its lowest level in H1 2019, deal value between \$50M and \$150M reached a peak, reflecting again, growing ticket size by investors in China
- The share of mega-deals (>\$100M) grew in 2019 totalling 11% up from 6% in 2018, maxing out at \$500M

	<\$1M	\$1 – \$5M	\$5 – \$10M	\$10 – \$25M	\$25 – \$50M	\$50 – \$100M	\$100 – \$150M	\$150 – \$200M	\$200 – \$250M	\$250 – \$500M	> \$500M
2019	5%	10%	9%	19%	9%	10%	7%	1%	0%	3%	0%
2018	2%	14%	10%	12%	7%	4%	4%	0%	1%	0%	1%
2017	6%	19%	11%	14%	6%	2%	2%	0%	0%	0%	0%
2016	15%	22%	4%	11%	6%	0%	1%	1%	0%	0%	0%
2015	15%	24%	8%	10%	6%	1%	1%	0%	0%	1%	0%
2014	19%	18%	11%	8%	9%	3%	4%	1%	0%	0%	0%

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



2019 CHINA TOP5 MOST MATURE STARTUPS

Maturity	Startup	Category	City / Node	Total Funding (US\$)
87	 We Doctor (微医) <small>乌镇互联网医院</small>	Population Health Management	Hangzhou	\$950 M
83	 3D Medicine (思路迪)	Medical Diagnostics	Shanghai	\$117 M
80	 Haodf.com (好大夫在线) <small>www.haodf.com</small>	Population Health Management	Beijing	\$284 M
80	 Yaoshibang (药师帮) <small>www.yshbang.cn</small>	Online Marketplace	Guangzhou	\$225 M
78	 Medlinker (医联)	Online Health Communities	Chengdu	\$244 M

Note: Venture maturity calculation is a proprietary algorithm – see slide 76 for further information

2019 CHINA MOST ACTIVE INVESTORS

Investor	Headquarter	# of Deals in 2019	Preferred Investment Stage	Largest participated Deal in 2019	Largest Investee in 2019
 Tencent Holdings	Beijing	9	Growth	\$250 M	Doctorwork (企鹅杏仁)
 IDG Capital	Beijing	6	Growth	\$142 M	Medbanks (思派网络)
 Legend Star	Beijing	5	Growth	\$7.1 M	iGeneTech (艾吉泰康生物)
 Matrix Partners China	Beijing	5	Growth	\$100 M	Weimai (微脉)
 China Capital Investment Group	Shanghai	5	Growth	\$142 M	Shuidi (水滴互助)

2019 CHINA HEALTHTECH TOP 5 MEGA DEALS

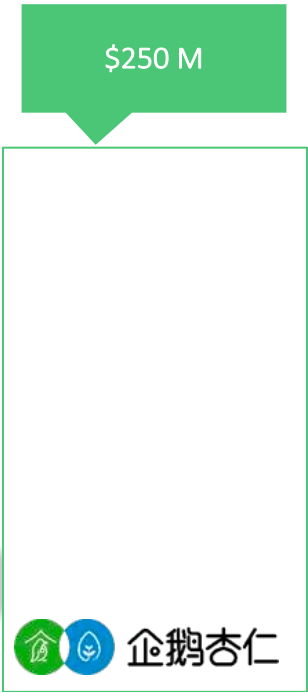


Ali Health (阿里健康)

Population Health Management

May

Strategic

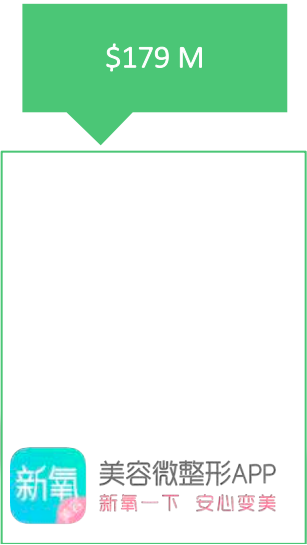


Tencent Doctorwork (企鹅医生)

Health Management Solutions

April

Series B



So Young (新氧)

Health Services Search

May

IPO

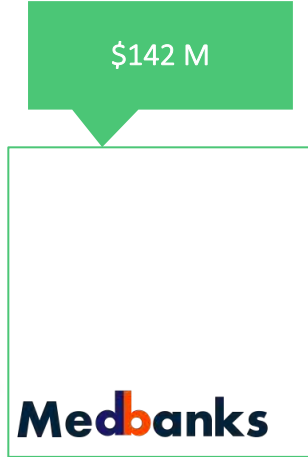


JD Health (京东健康)

Online Marketplace

May

Series A



Medbanks (思派网络)

Research

November

Series D

INDIA

INVESTMENT TRENDS

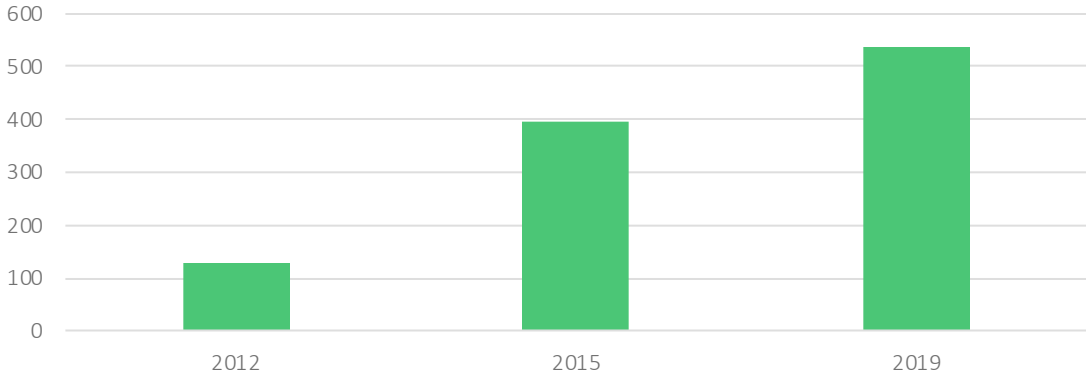


INDIA – HEALTHTECH ECOSYSTEM OVERVIEW

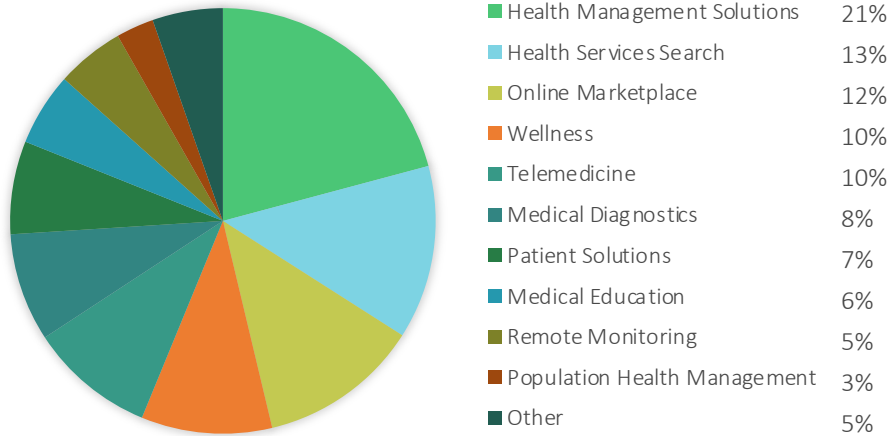
Key Innovation Nodes



Number of HealthTech Ventures

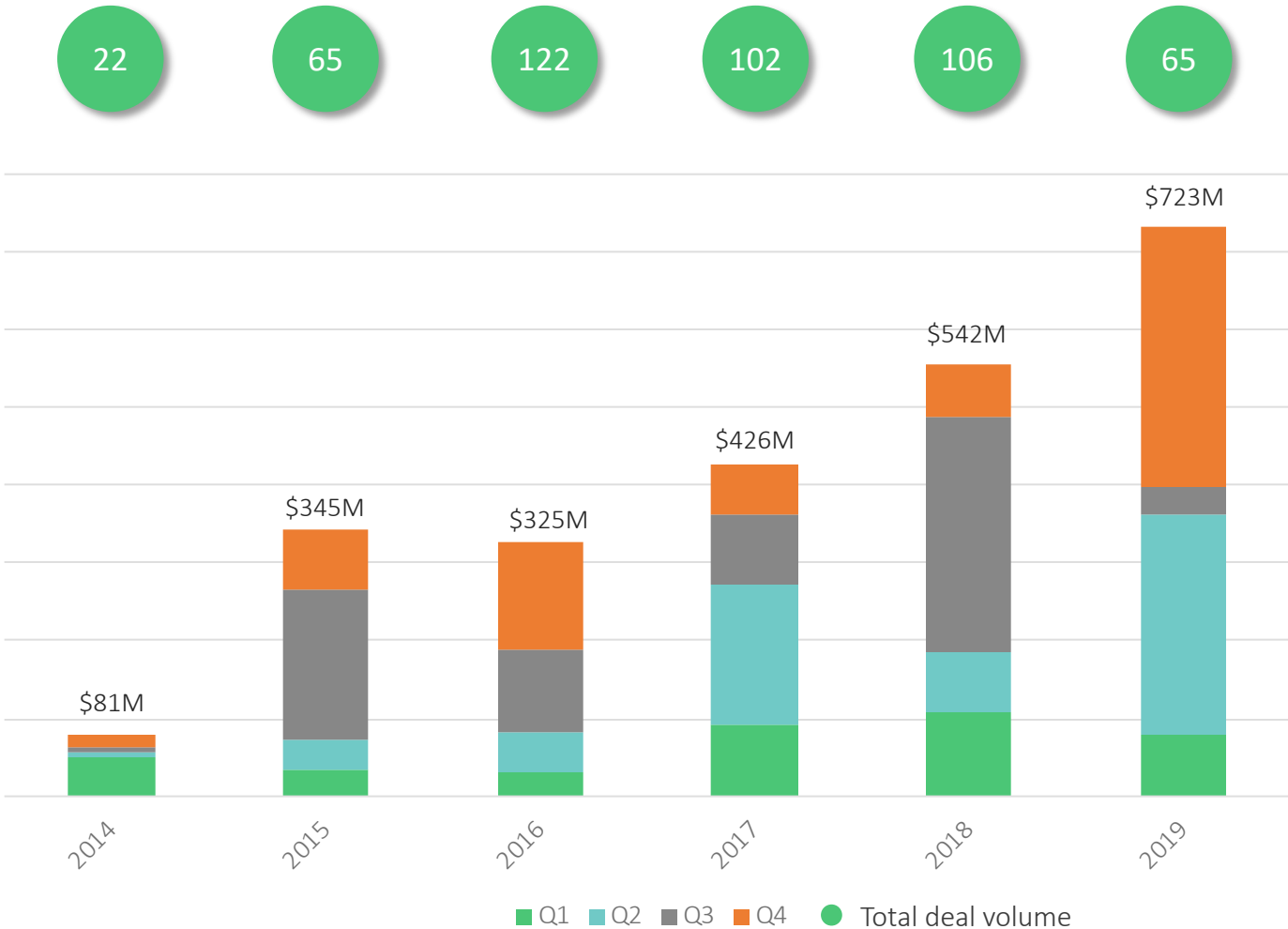


Category Distribution Share



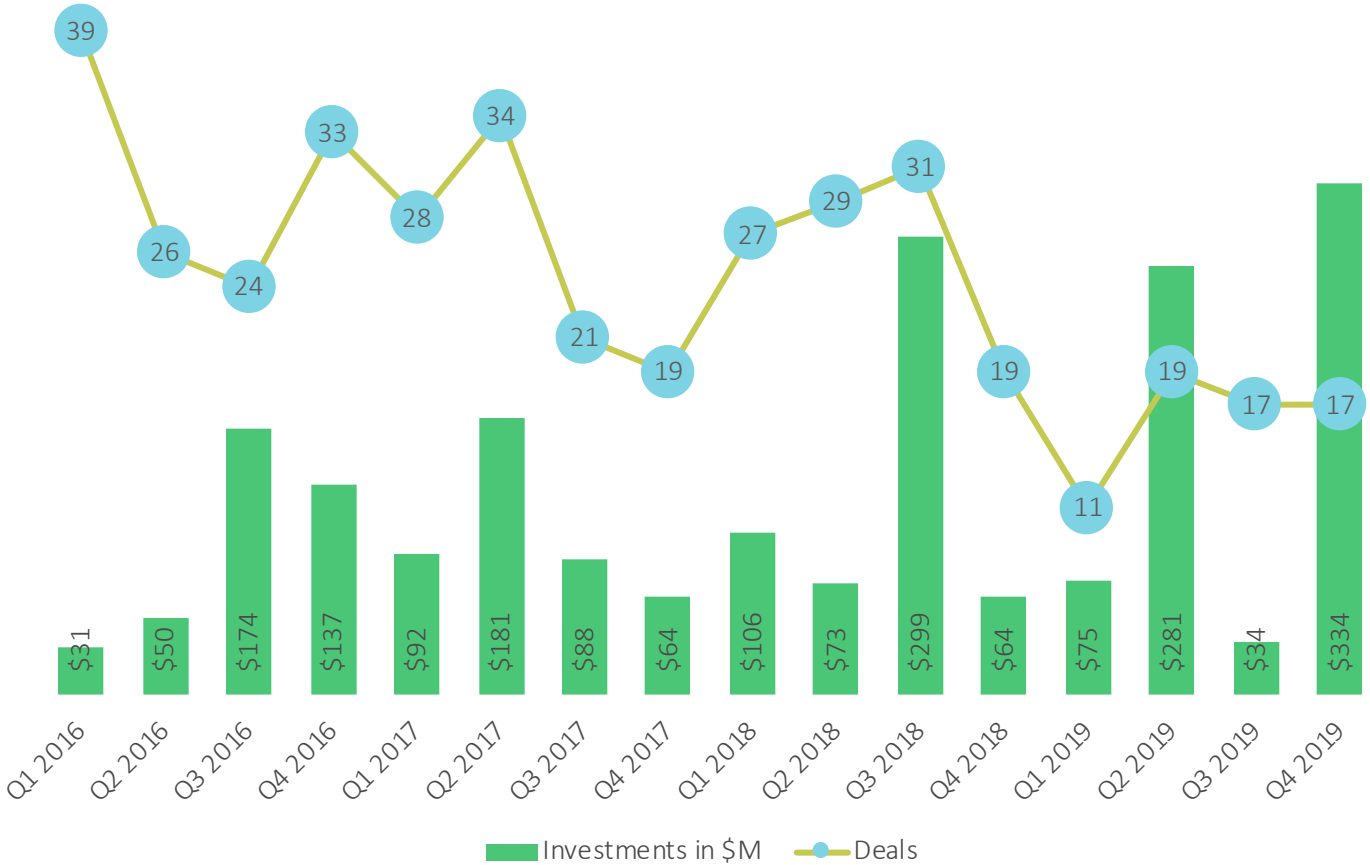
INDIA HEALTHTECH FUNDING HISTORY (2014 – 2019)

- In 2019, HealthTech funding in India rocketed to break all previous records, closing at \$723M
- India recorded its largest single deal ever closed in India, with PharmEasy raising \$220M in November 2019
- Whilst deal count lost momentum with only 65 deals executed, down 39% vs 2018, total funding value grew to an all time high, closing 33% above 2018
- Funding in India continues to grow strongly at a CAGR of 55% between 2014 and 2019
- Cumulative deal value since 2016 is \$2B



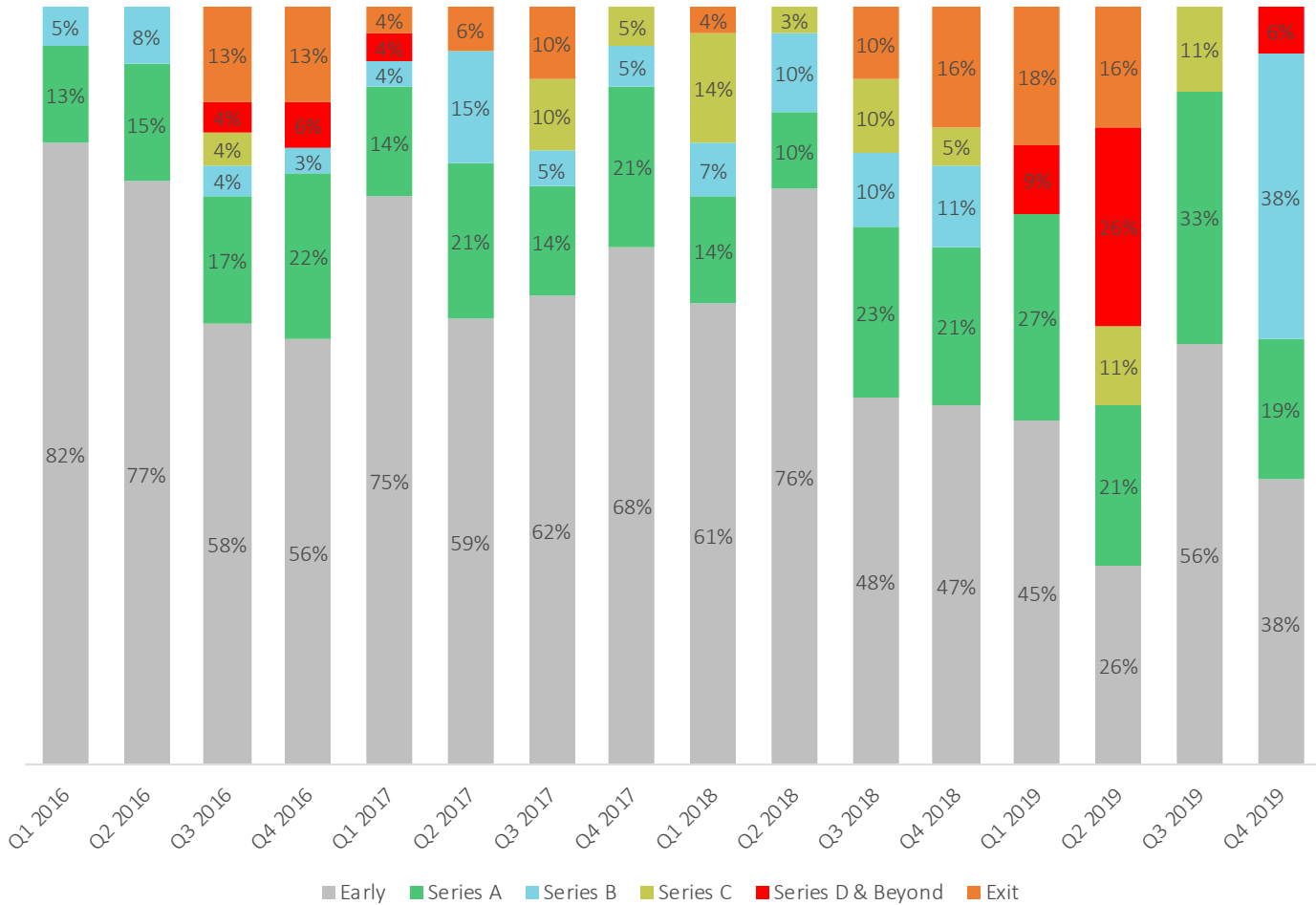
QOQ INDIA HEALTHTECH FUNDING HISTORY (2016 – 2019)

- After a strong H1 2019, funding in India slowed down in Q3, before rallying to close the second half of the year ahead at \$336M
- Despite a slow down in Q3, Q4 represented the second largest quarter in HealthTech funding in India
- The average funding value in H2 2019 grew to \$10.8M, a 1.5x step up as compared to H2 2018, largely driven by the PharmEasy mega deal
- Despite the mega deal, H2 2019 received 7% less in funding than H2 2018



QOQ INDIA HEALTHTECH DEAL VOLUME SHARE (2016 – 2019)

- Quick Facts for Q4 2019 deal volume share:
 - 38% at Early stage, down 33% vs Q3 2019 and down 21% vs Q4 2018
 - 56% at Growth stage, up 27% vs Q3 2019 and up 53% vs Q2 2017
 - 6% at Late stage
- Early Stage deals continue to loose momentum, representing 42% of all total deals in 2019, down 27% vs 2018
- Growth Stage deals gain momentum representing 38% in 2019, up 9% as compared to 2018
- After 3 quarters devoid of Series B deals, and a growing number of Late Stage deals and exits, Q4 2019 saw a resurgence of Series B deals



Note: Deals data exclude unspecified funding stage

INDIA HEALTHTECH MOST FUNDED CATEGORIES BY VALUE

The Online Marketplace category captured most of all the funding deployed in India in 2019, accounting for 59% driven primarily by the PharmEasy mega-deal in November 2019

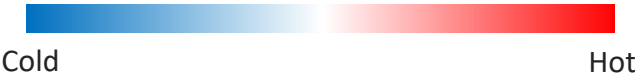


INDIA DEAL SIZE DISTRIBUTION (2014 – 2019)






- Share of deals of <\$1M shrunk further in 2019 now only representing 15% of all deals closed
- With a rising number of Growth and Late stage deals, deal size >10M and above increased in share
- Funding rounds between \$25M and \$50M remain flat whilst rounds up to \$100M increased to their highest volume share ever recorded
- Funding rounds of \$100M and above remained low in volume, at par with 2018, reflecting the lack of mega deals in India

	<\$1M	\$1 – \$5M	\$5 – \$10M	\$10 – \$25M	\$25 – \$50M	\$50 – \$100M	\$100 – \$150M	\$150 – \$200M	\$200 – \$250M	\$250 – \$500M	> \$500M
2019	15%	26%	5%	15%	5%	3%	0%	0%	2%	0%	0%
2018	25%	31%	6%	10%	5%	0%	1%	0%	1%	0%	0%
2017	36%	23%	6%	6%	4%	2%	0%	0%	0%	0%	0%
2016	46%	19%	6%	3%	2%	1%	0%	0%	0%	0%	0%
2015	44%	16%	3%	10%	4%	1%	0%	0%	0%	0%	0%
2014	22%	39%	4%	13%	0%	0%	0%	0%	0%	0%	0%

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








2019 INDIA TOP5 MOST MATURE STARTUPS

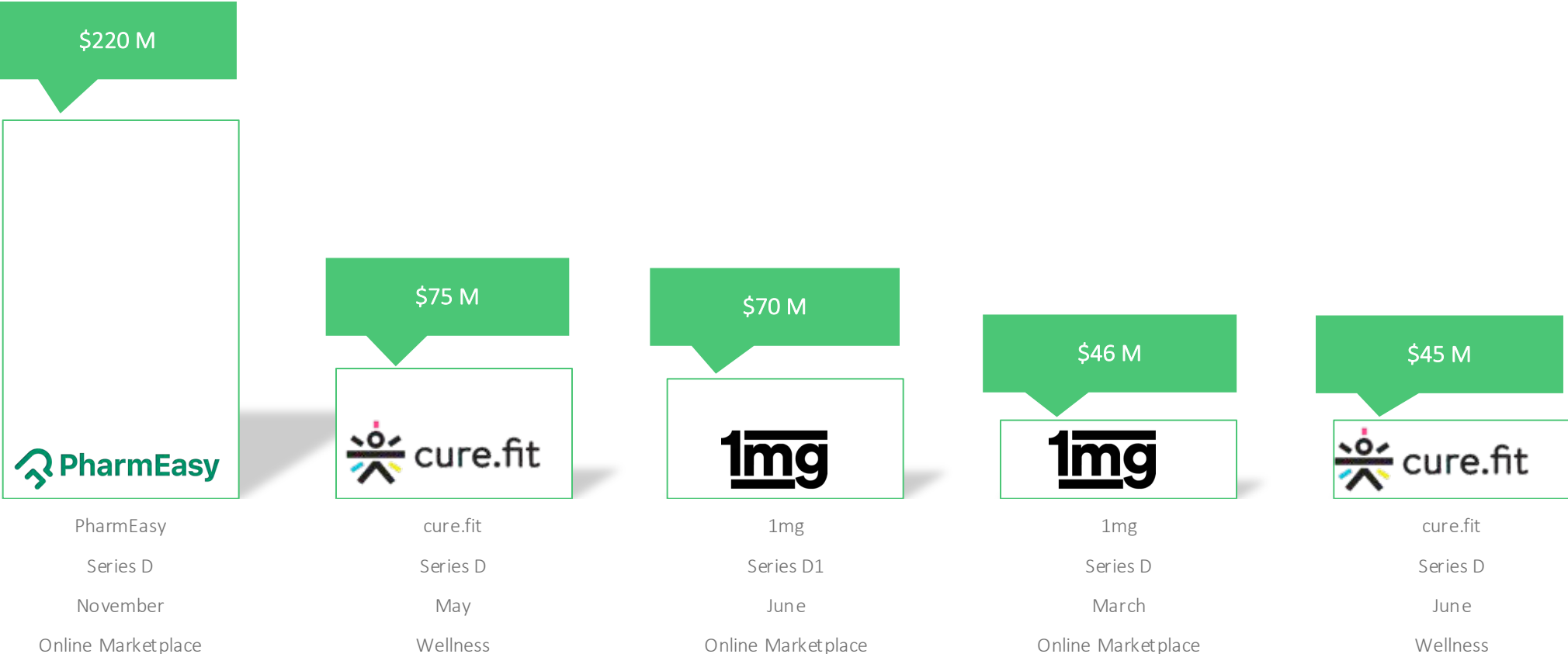
Maturity	Startup	Category	City Node	Total Funding (US\$)
79	 MEDGENOME MedGenome	Medical Diagnostics	Bangalore	\$64 M
78	 Practo	Health Services Search	Bangalore	\$251 M
76	 PharmEasy PharmEasy	Online Marketplace	Mumbai	\$326 M
76	 PORTEA HEAL AT HOME Portea Medical	Remote Monitoring	Bangalore	\$76 M
75	 netmeds.com India Ki Pharmacy NetMeds	Online Marketplace	Chennai	\$103 M

Note: Venture maturity calculation is a proprietary algorithm – see slide X for further information

2019 INDIA MOST ACTIVE INVESTORS

Investor	Headquarter	# of Deals in 2019	Preferred Investment Stage	Largest participated Deal in 2019	Largest Investee in 2019
 Sequoia Capital	India	5	Late	\$70 M	1mg
 Omidyar Network	India	4	Late	\$70 M	1mg
 Kae Capital	India	3	Late	\$70 M	1mg
 Accel Partners	India	3	Growth	\$75 M	cure.fit
 Pi Ventures	India	3	Early	\$6 M	Niramai

2019 INDIA HEALTHTECH TOP 5 MOST NOTABLE DEALS



SE ASIA (SEA)

INVESTMENT

TRENDS

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

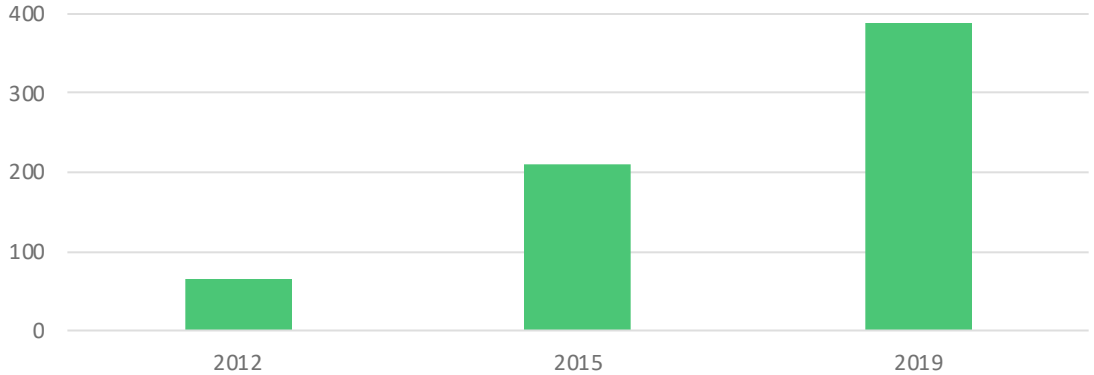


SEA – HEALTHTECH ECOSYSTEM OVERVIEW

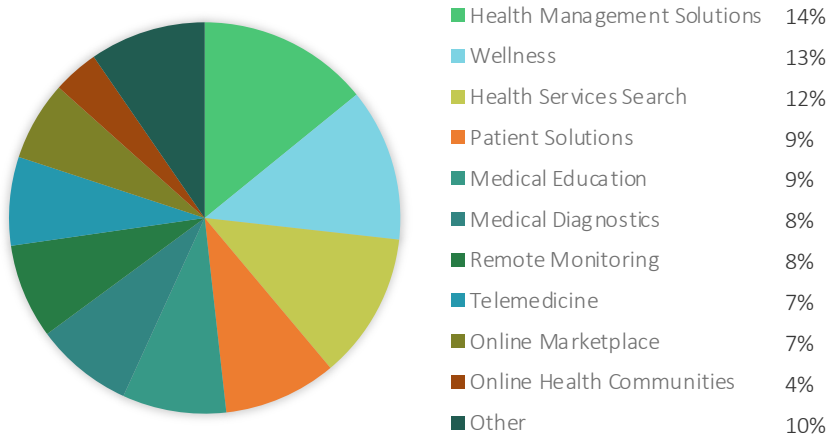
Key Innovation Nodes



Number of HealthTech Ventures

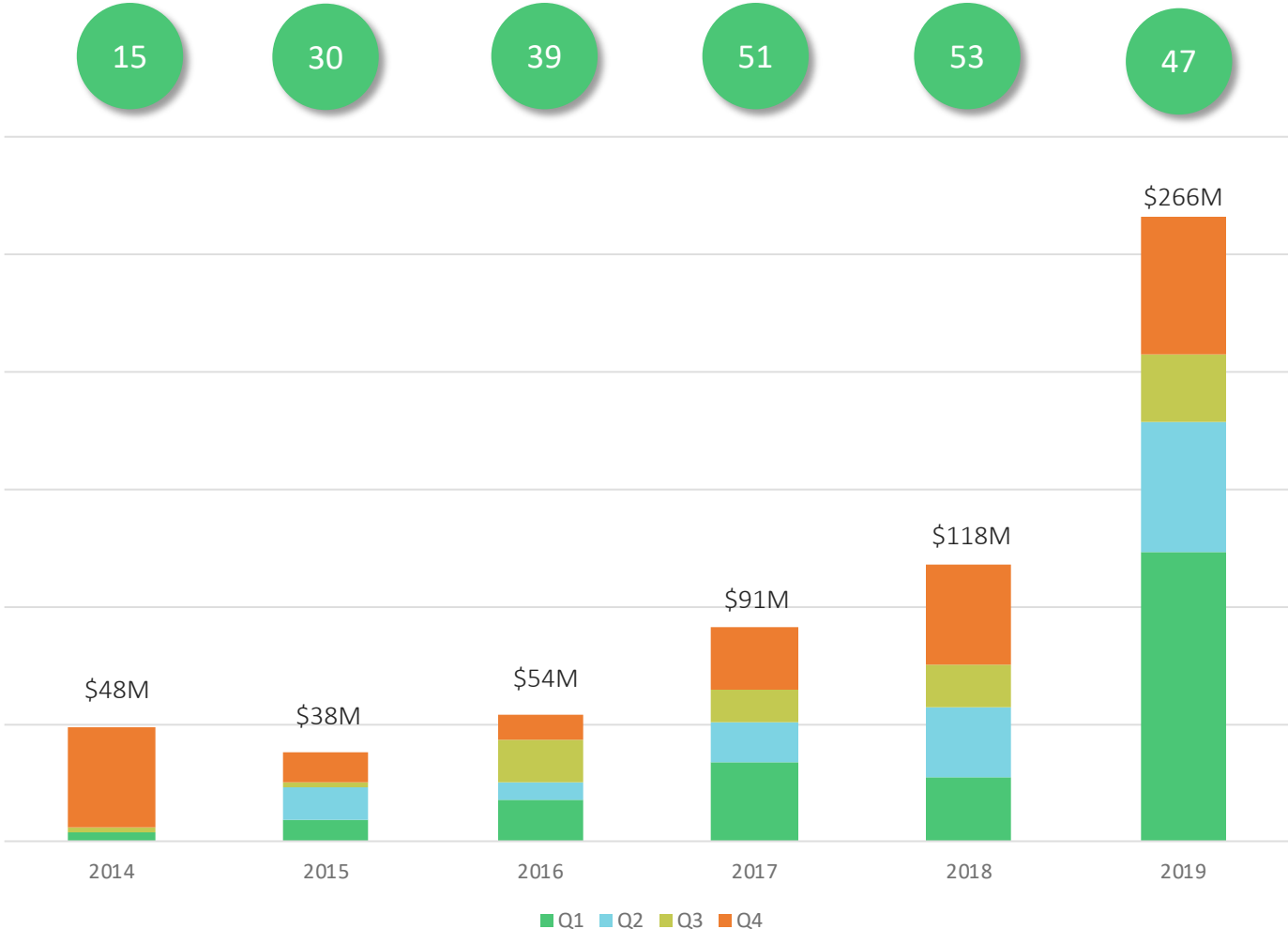


Category Distribution Share



SEA HEALTHTECH FUNDING HISTORY (2014 – 2019)

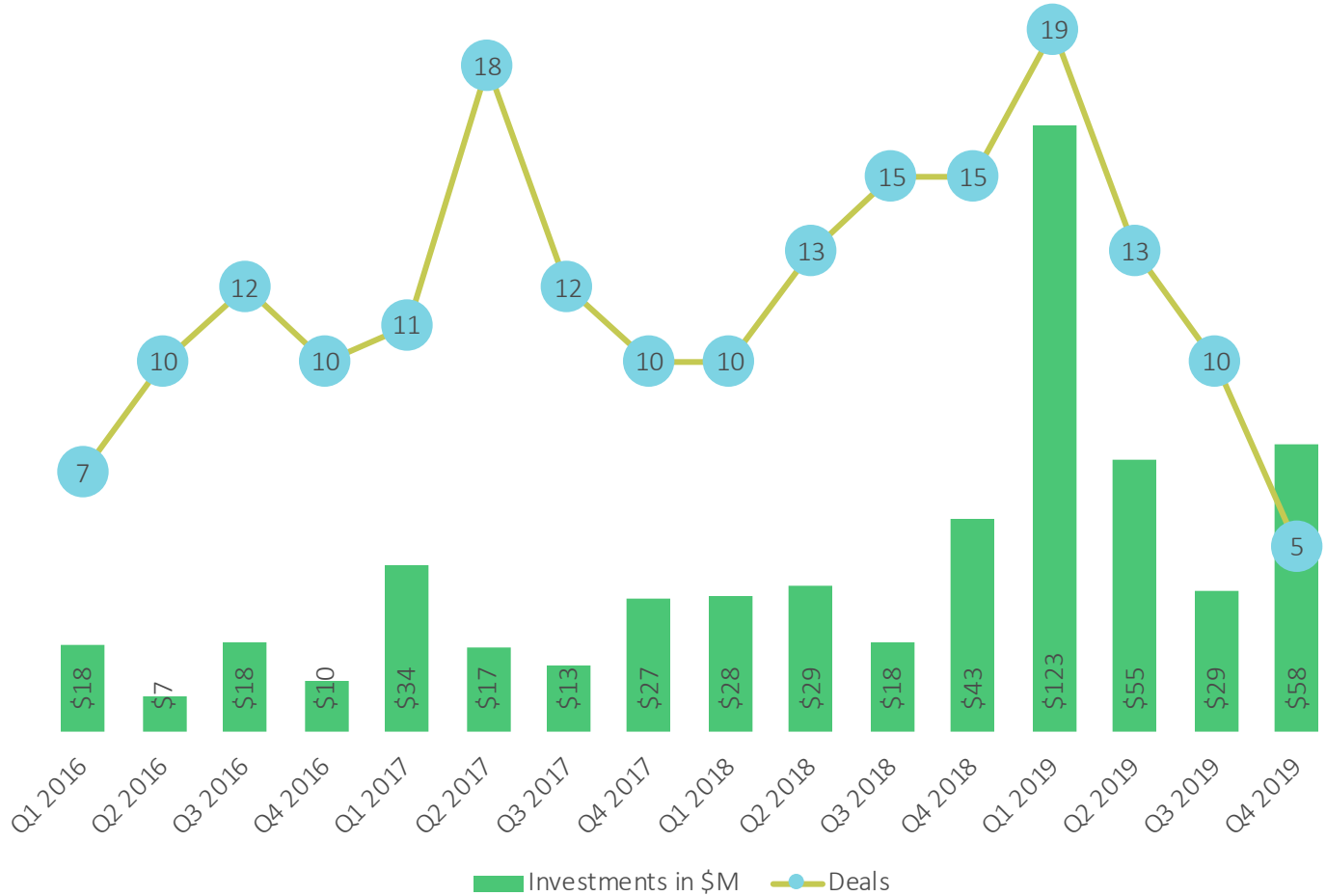
- Record breaking funding for South East Asia (SEA) which saw 2019 close at \$266M, its largest investment year on record, a 2.25x step up vs 2018
- By volume, the region slipped by 6 deals as compared to 2018
- Major deals were recorded for the region with: Halodoc* \$65M, Biofourmis* \$35M, Alodoktor \$33M, and more
- CAGR of 40% since 2014
- Cumulative deal value since 2016 is \$505M



Note: Previous Winners of the GGA annual Most Innovative HealthTech Startup award

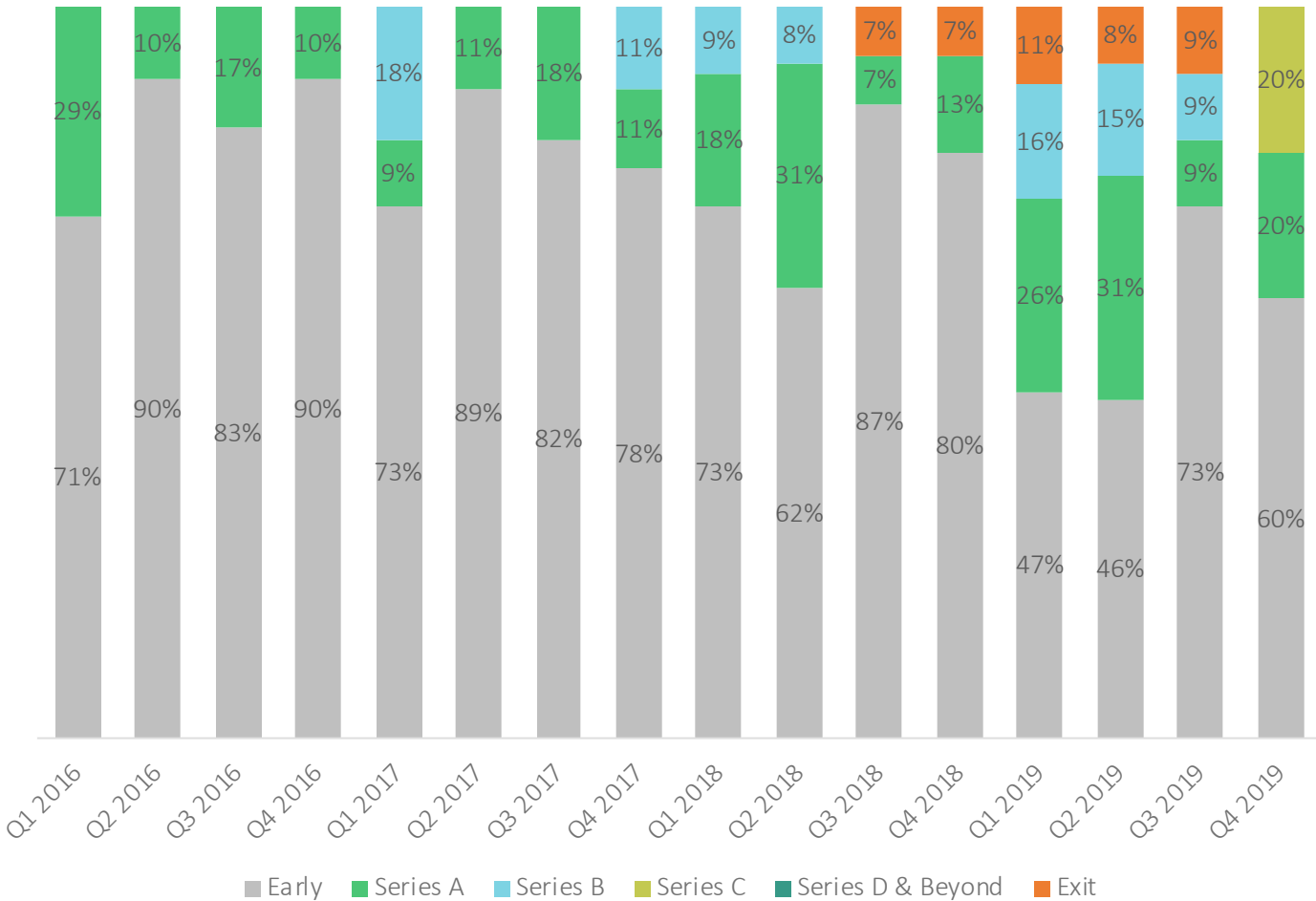
QOQ SEA HEALTHTECH FUNDING HISTORY (2016 – 2019)

- H2 2019 closed at \$87M, a 43% increase from H2 2018 with Q4 2019 representing the second largest quarter for SEA since 2016
- 2019 witnessed SE Asia’s largest quarter by volume and value in Q1, as well as its lowest quarter on record by deal count in Q4
- Primarily driven by Halodoc’s \$65M Series B investment (which excludes the undisclosed B1 extension), the average funding value increased by 2.5x to \$5.6M compared to 2018, and by 3.2x compared to 2017
- Singapore and Indonesia combined account for approximately 93% of the total funding invested in SEA in 2019



QOQ SEA HEALTHTECH DEAL VOLUME SHARE (2016 – 2019)

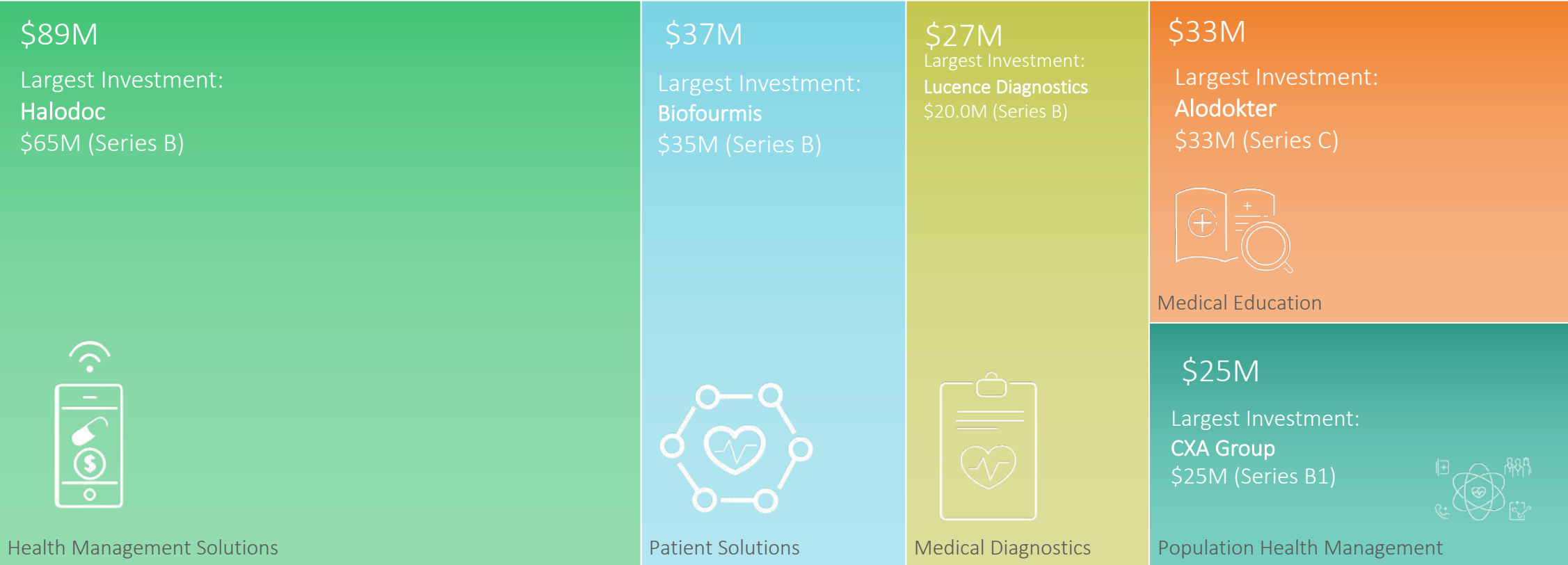
- Quick Facts for Q4 2019 deal volume share:
 - 60% at Early stage, down 18% vs Q3 2019 and down 25% vs Q4 2018
 - 40% at Growth stage, up 2.2x vs Q3 2019 and up 3x vs Q4 2018
 - There were no Exits recorded in SEA in Q4 2019
- Early Stage deals in 2019 continued to shrink, now representing 54% of all investments, down 29% compared to 2018
- Whilst total Early Stage deal volume share is shrinking, Growth Stage deals continued to gain momentum, now representing a 37.5% share of 2019 deals, up 84% as compared to 2018



Note: Deals data exclude unspecified funding stage

SEA HEALTHTECH MOST FUNDED CATEGORIES BY VALUE

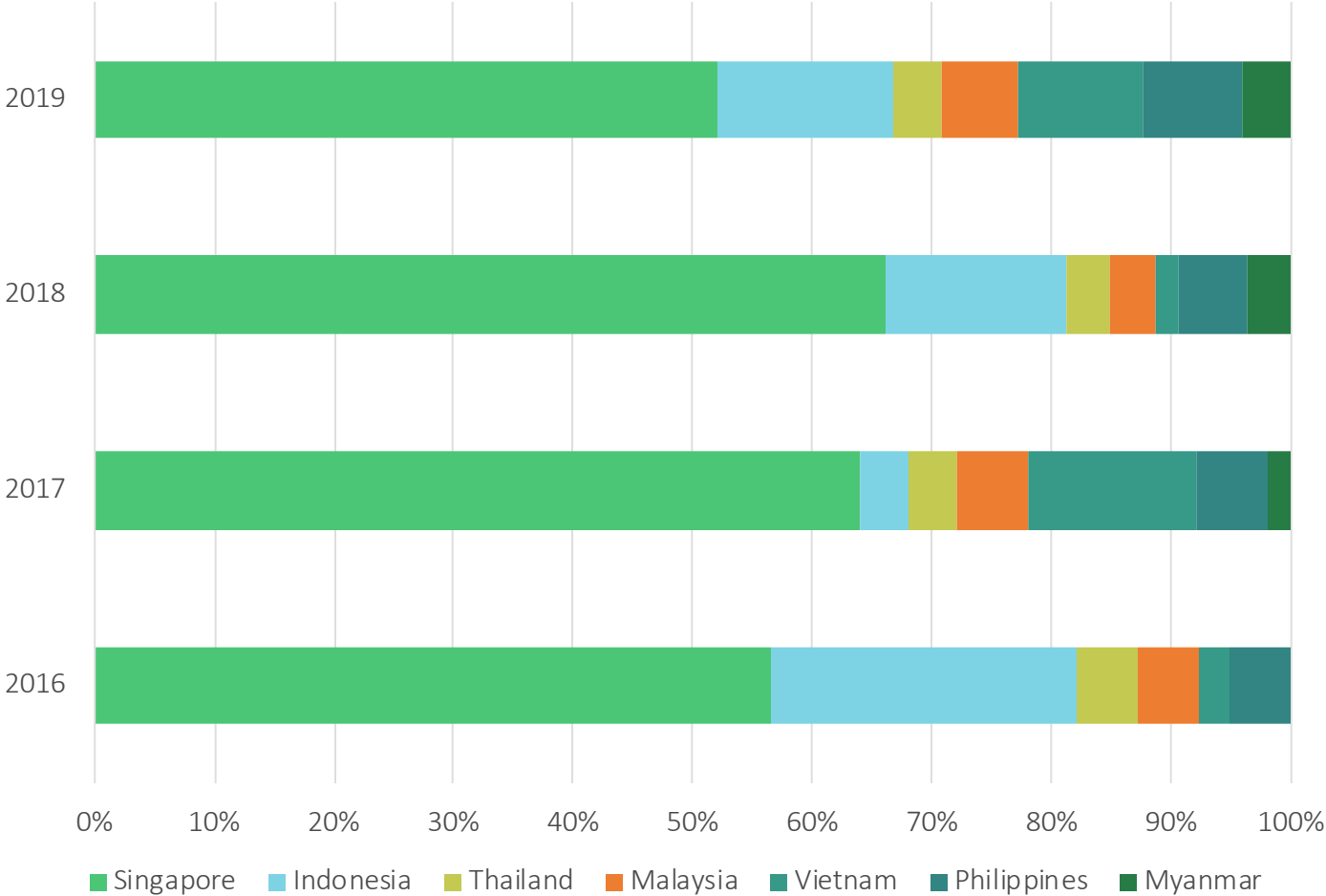
SEA’s major deals such as Halodoc, Biofourmis and Alodokter pushed Health Management Solutions, Patient Solutions and Medical Diagnostics into the top 5 in 2019



SEA HEALTHTECH DEAL VOLUME SHARE BY COUNTRY


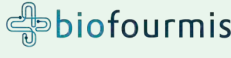



Singapore and Indonesia are the major drivers of funding invested in SEA in 2019 with Singapore accounting for 3 and Indonesia for 2 of the largest deals in the region after Singapore accounted for all largest deals in 2018

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



Note: Only countries with recorded deals represented






2019 SEA TOP 5 MOST MATURE STARTUPS

Maturity	Startup	Category	Country Node	Total Funding (US\$)
74	 CXA Group	Population Health Management	Singapore	\$58 M
73	 Biofourmis	Patient Solutions	Singapore	\$43 M
71	 Halodoc	Online Marketplace	Indonesia	\$85 M*
71	 Docquity	Online Health Communities	Singapore	\$13 M
68	 Attune Technologies	Health Management Solutions	Singapore	\$16 M

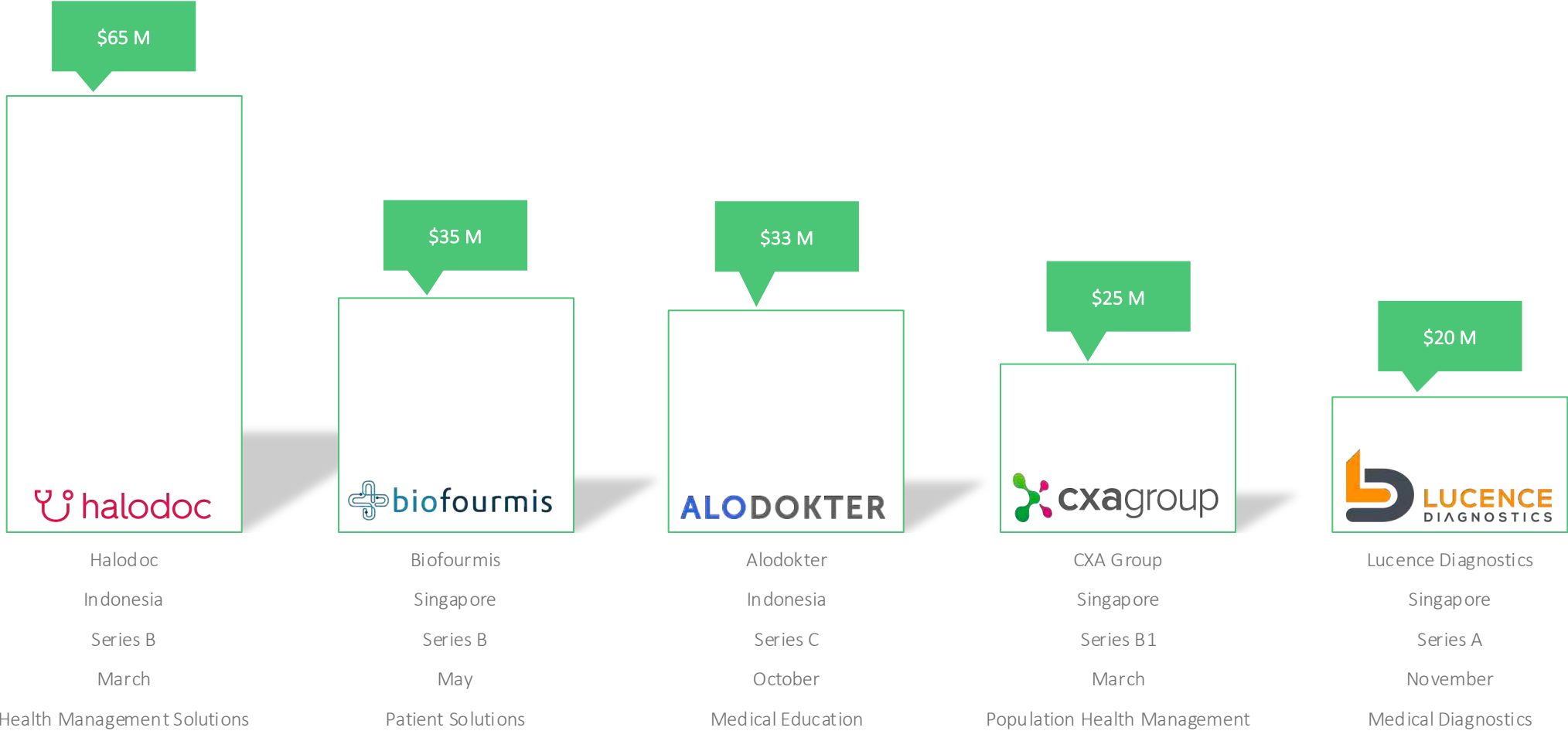
Note: Venture maturity calculation is a proprietary algorithm – see slide 76 for further information

*Note: Cumulative raise from Halodoc's Series B and B1 funding rounds

2019 SEA MOST ACTIVE INVESTORS (2019)

Investor	Headquarter	# of Deals in 2019	Preferred Investment Stage	Largest participated Deal in 2019	Largest Investee in 2019
 HealthXCapital	Singapore	3	Early	\$2.4 M	Child Health Imprints
 SGInnovate	Singapore	3	Early	\$35 M	Biofourmis
 Heritas Capital Management	Singapore	2	Growth	\$33 M	Alodokter
 Openspace Ventures	Singapore	2	Growth	\$65 M	Halodoc
 SingTel Innov8	Singapore	2	Growth	\$65 M	Halodoc

2019 SEA HEALTHTECH TOP 5 MOST NOTABLE DEALS



Note: Halodoc extended its Series B by an B1 extension round

REST OF ASIA

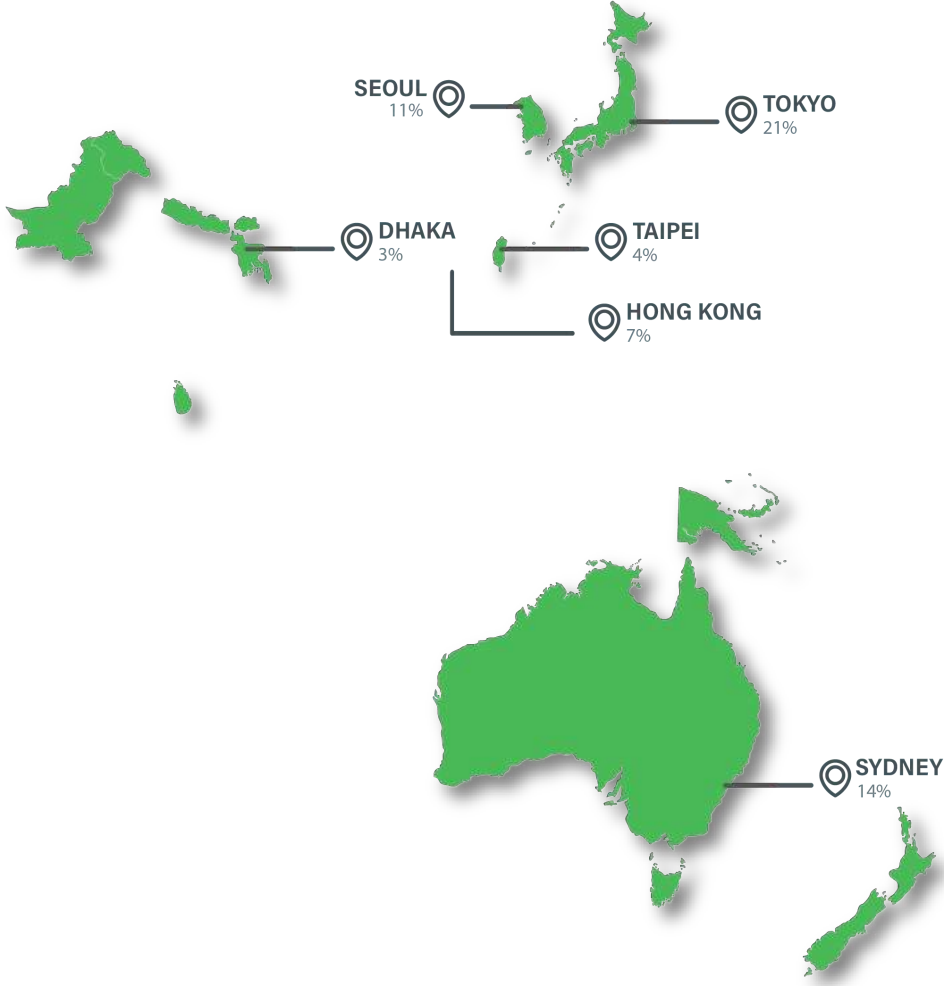
INVESTMENT TRENDS

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

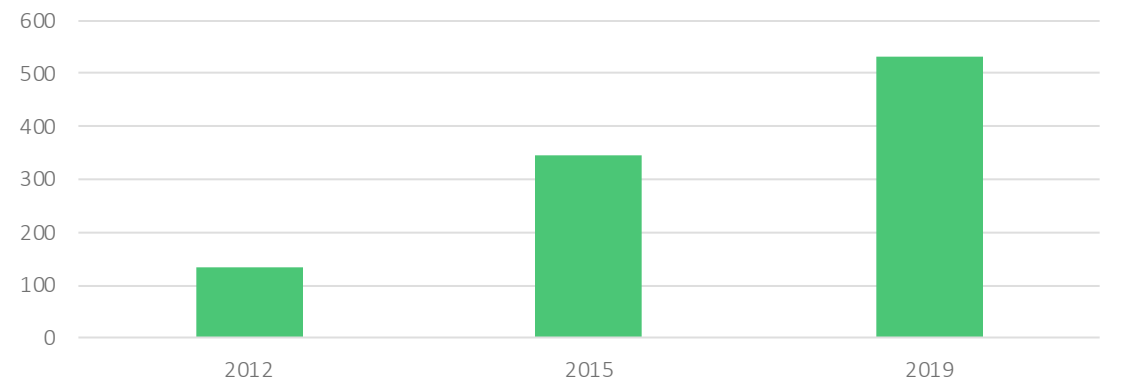


ROA – HEALTHTECH ECOSYSTEM OVERVIEW

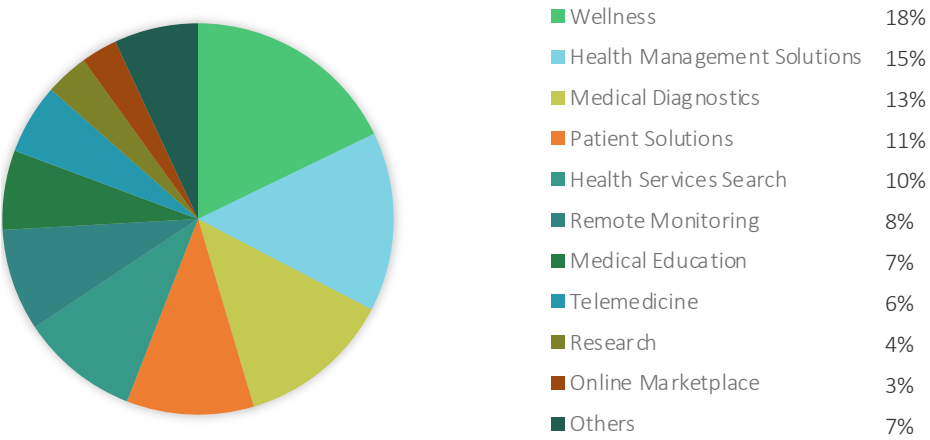
Key Innovation Nodes



Number of HealthTech Ventures



Category Distribution Share

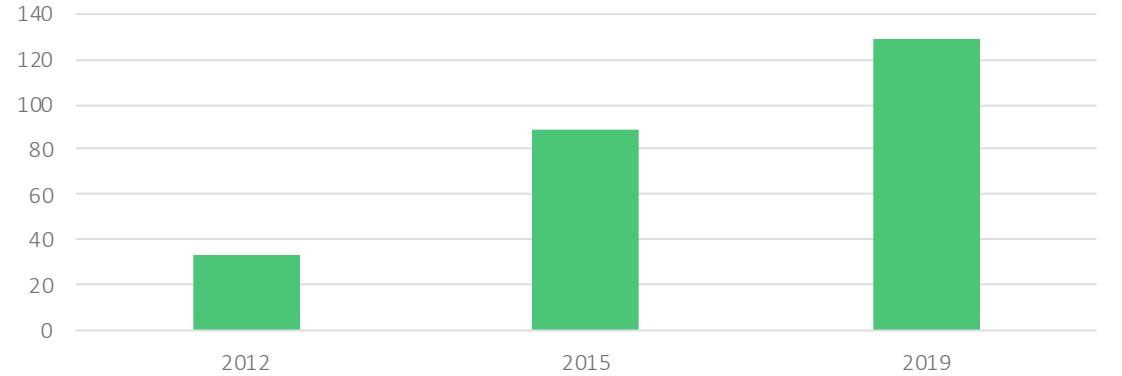


JAPAN – HEALTHTECH ECOSYSTEM OVERVIEW

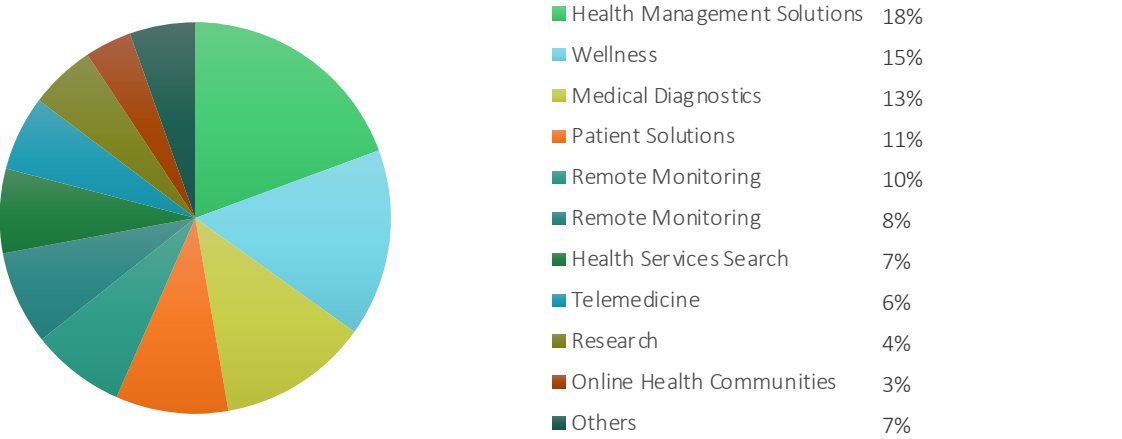
Key Innovation Nodes



Number of HealthTech Ventures

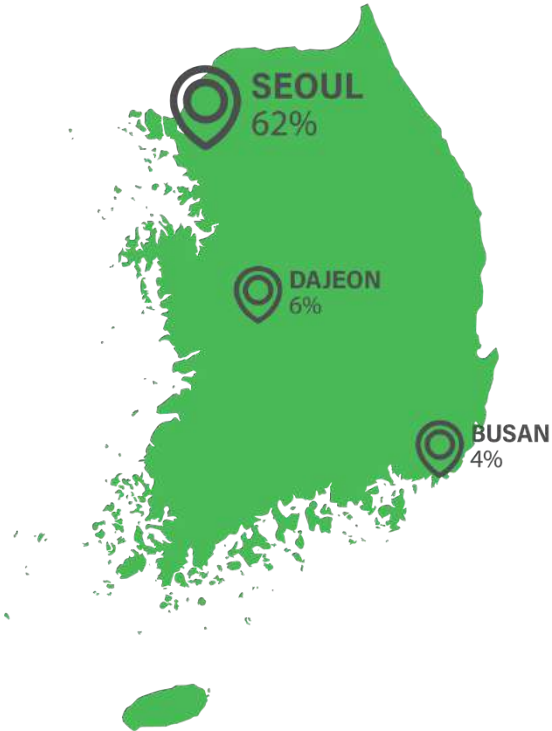


Category Distribution Share

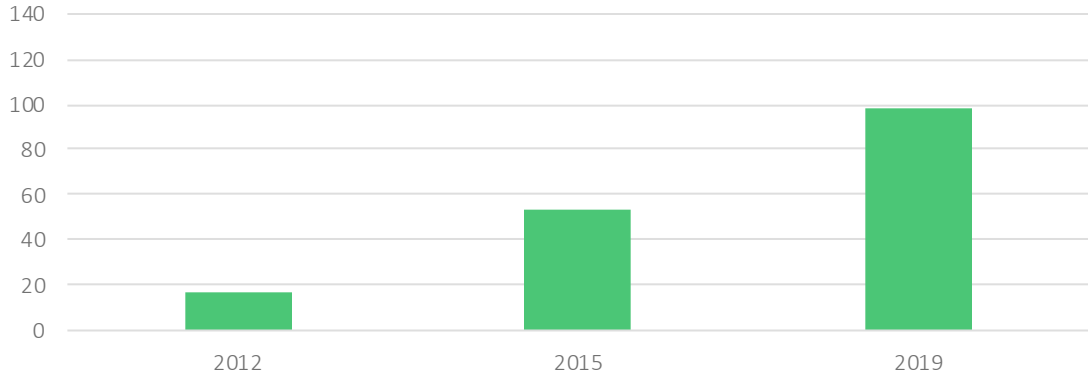


SOUTH KOREA – HEALTHTECH ECOSYSTEM OVERVIEW

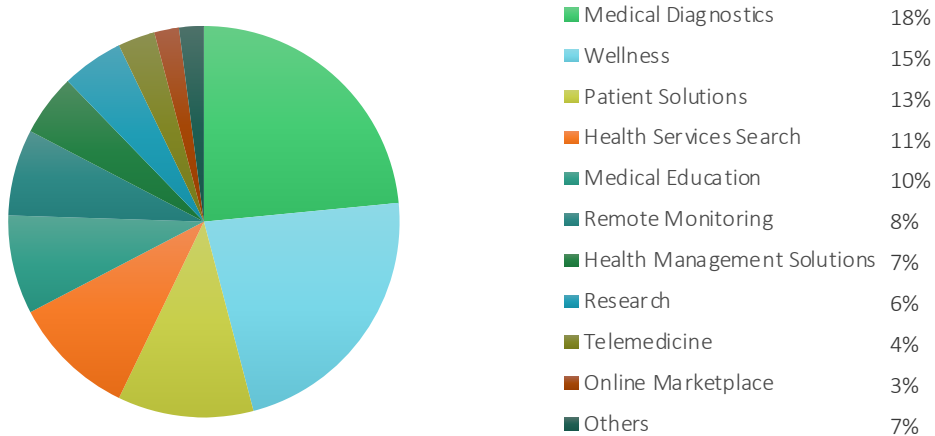
Key Innovation Nodes



Number of HealthTech Ventures

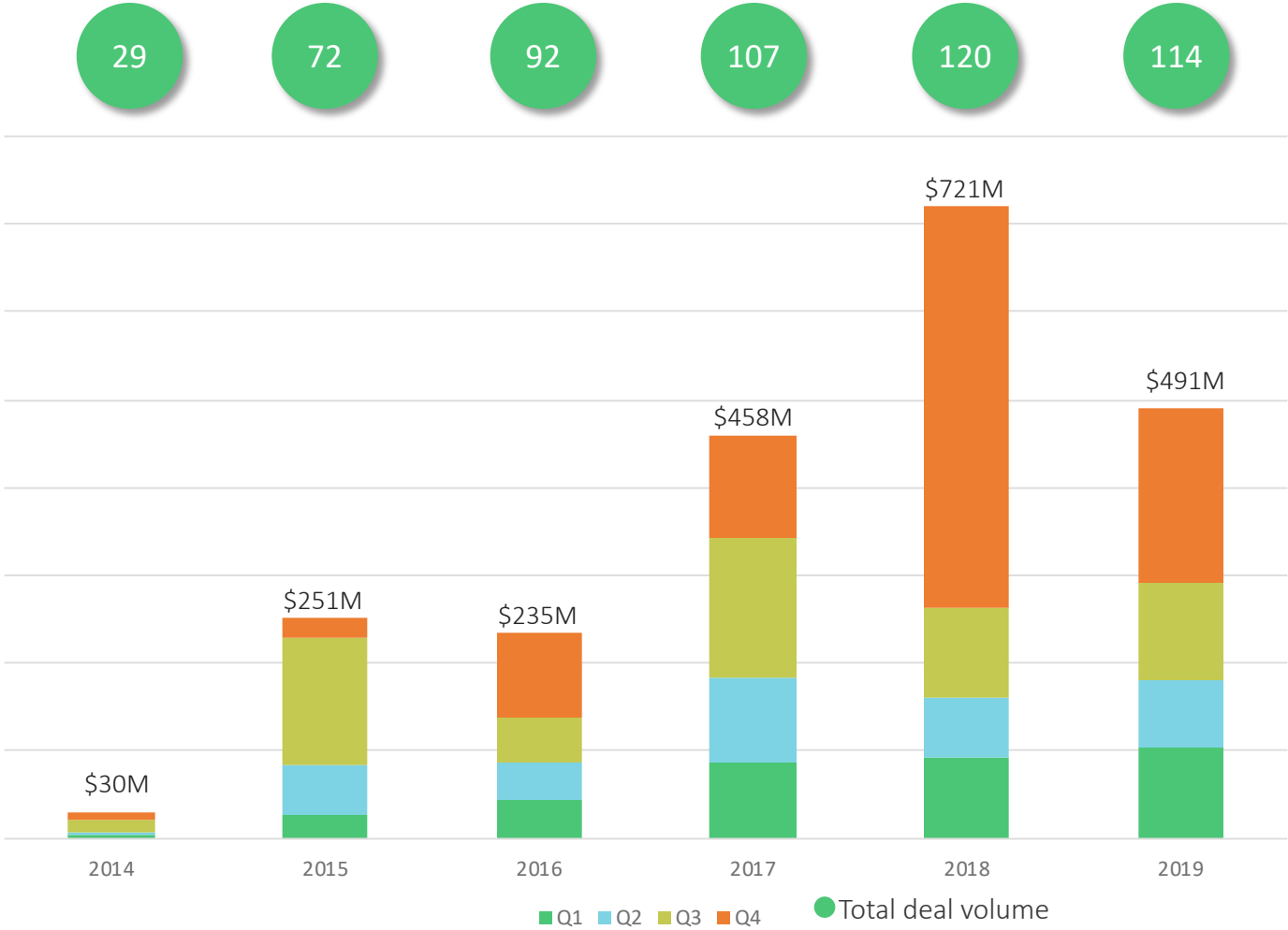


Category Distribution Share



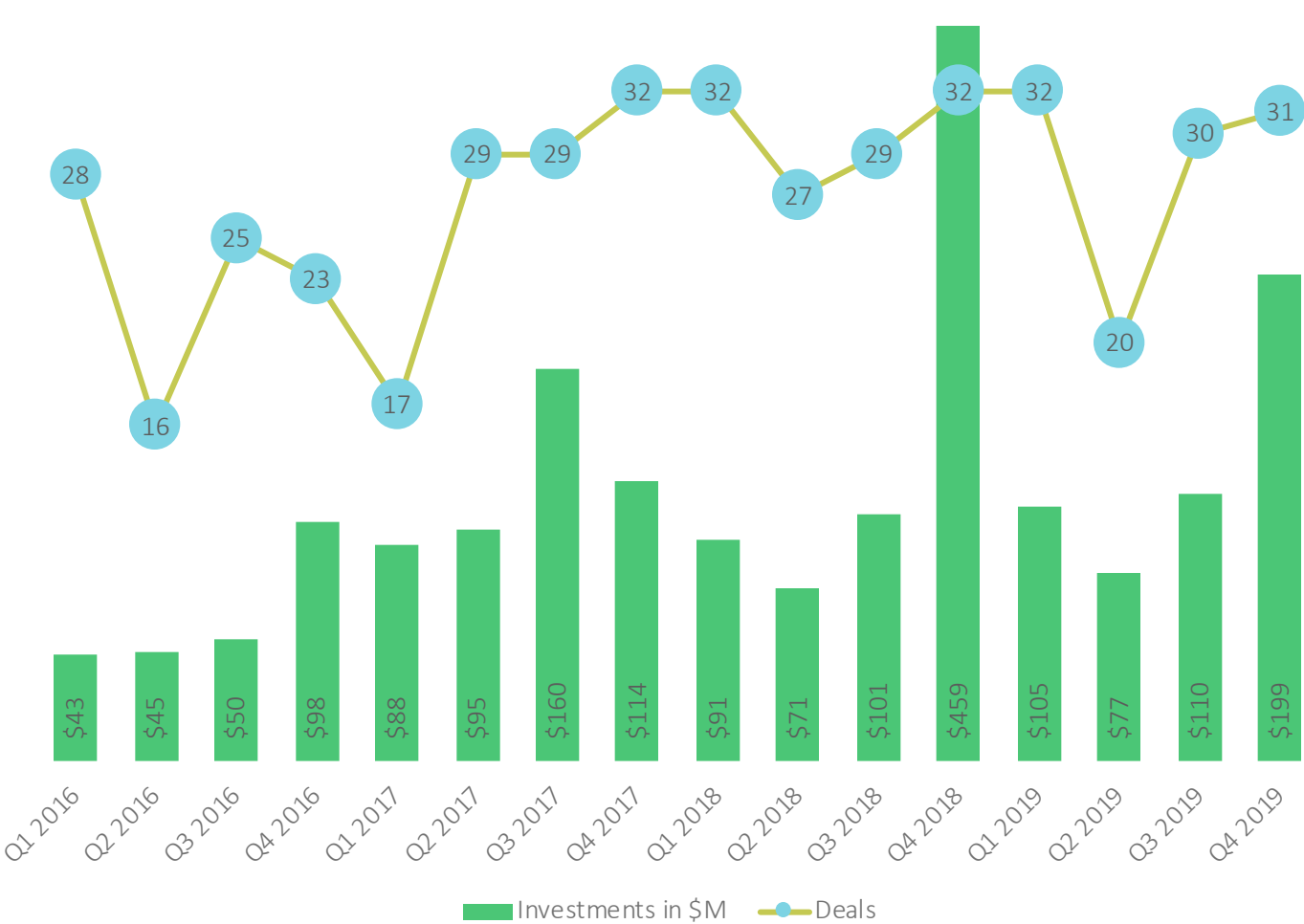
ROA HEALTHTECH FUNDING HISTORY (2014 – 2019)

- Total funding for Rest of Asia (RoA) closed at \$491M, 32% behind 2018
- Unlike other geographies in Asia Pac, RoA demonstrated strong deal count resilience, closing 2019 at 114, 6 deals short vs 2018 and 7 deals up vs 2017
- Japan and South Korea remained the strongest ecosystem drivers in RoA
 - Total funding in Japan reached \$178M, down 22% vs 2018
 - Total funding in South Korea reached \$240M, up 80% vs 2018
- Cumulative deal value since 2016 is \$1.9B



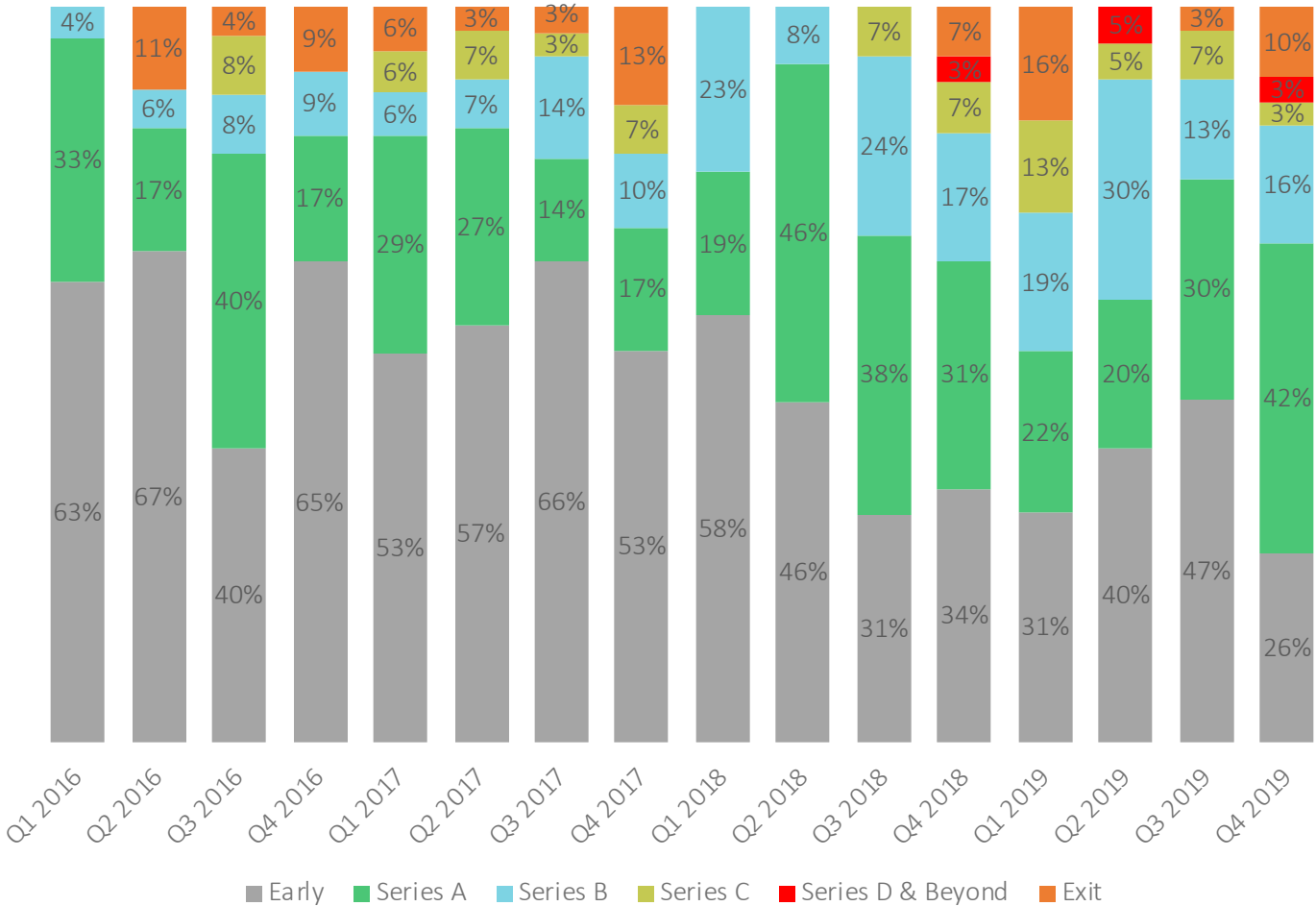
QQQ REST OF ASIA HEALTHTECH FUNDING HISTORY (2016 – 2019)

- The second half of the year closed at \$309M, a 45% decrease vs H2 2018 which recorded a \$271M investment in Genesis Care (Oct 2018)
- Q4 2019 represented the second largest quarter of funding in ROA
- At ~28 deals per quarter, 2019 is only 1 deal short of 2018
- With both funding value and deal count slowing, the average deal size decreased by 29% to \$4.4M vs 2018 but was up 3% vs 2017



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

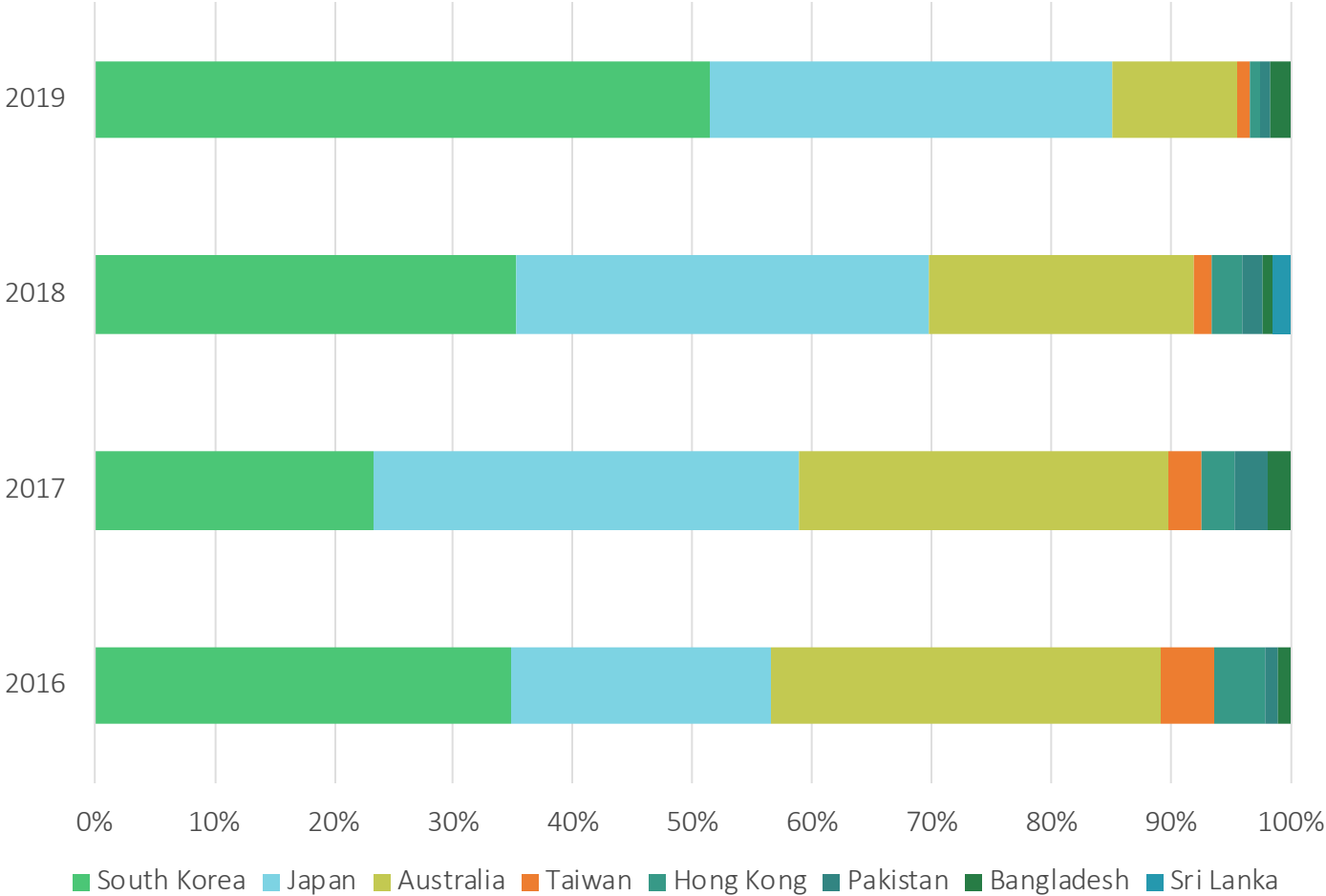
- Quick Facts for Q4 2019 deal volume share:
 - 26% at Early stage, down 43% vs Q3 2019 and down 23% vs Q4 2017
 - 61% at Growth stage, up 23% vs Q3 2019 and up 11% vs Q4 2018
 - 3% at Late stage
 - 1 IPO and 2 Post-IPO events in Q4 2019
- In a 12 months trend, Early Stage investment volume shrunk by 18% to 35% compared to 2018 whilst Growth Stage Deals increased by 1%, accounting for 55%
- Late Stage Deals doubled their total volume share in 2019, accounting for 1.75% of all deals.



Note: Deals data exclude unspecified funding stage


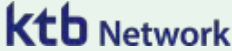

ROA HEALTHTECH DEAL VOLUME SHARE BY MARKET

- By deal volume share, South Korea remained in pole position, representing now 51% of all deals executed in ROA
 - Followed by Japan with 34% which remains in second position
- Investment volume in Australia slowed down in 2019, now only accounting for 11% of all deals in ROA
- With increased funding in North East Asia countries, others in ROA represented only a thin 5% of all deals by volume

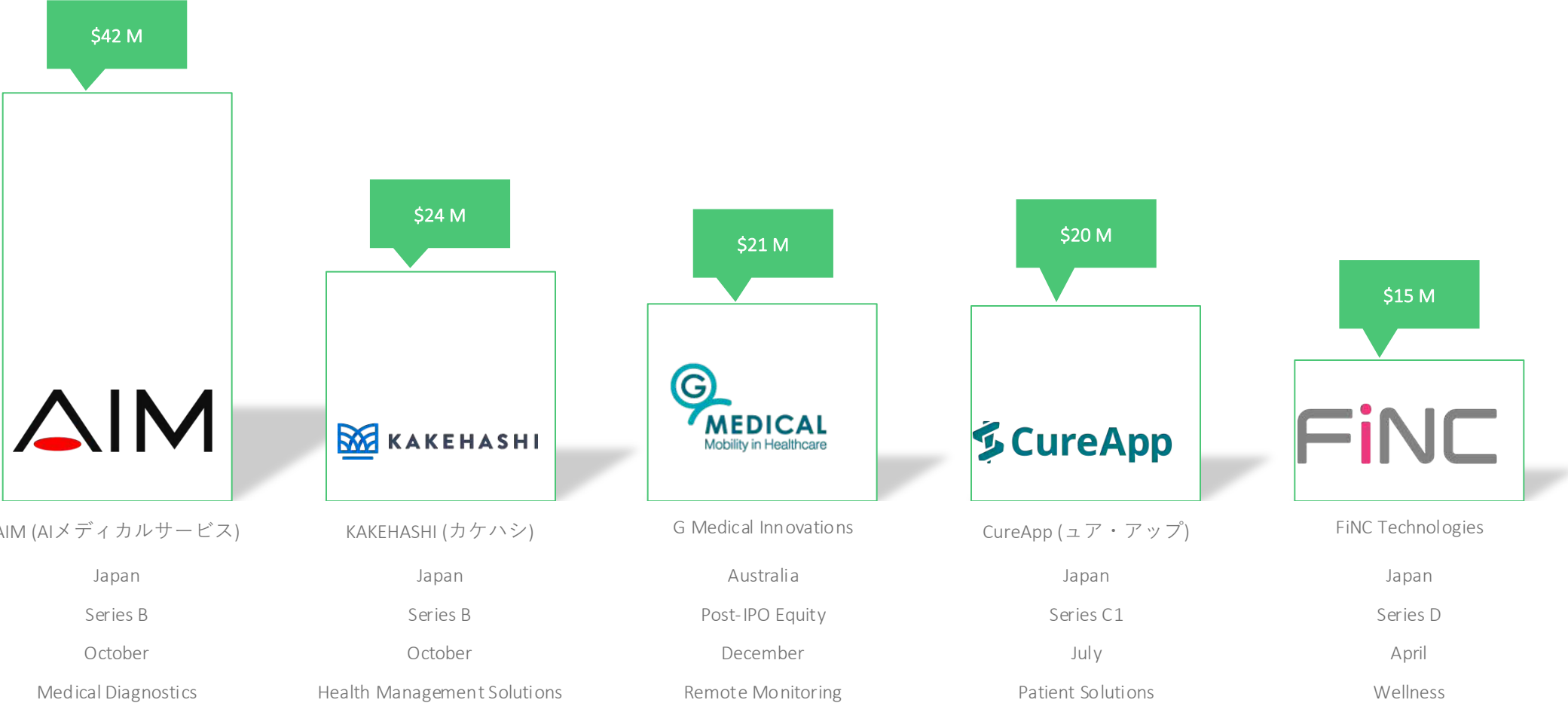


Note: Only countries with recorded deals represented

2019 ROA MOST ACTIVE INVESTORS

Investor	Headquarter	# of Deals in 2019	Preferred Investment Stage	Largest participated Deal in 2019	Largest Investee in 2019
 Aflac Innovation Partners	Japan	6	Growth	\$ 42 M	AIM (AIメデイカルサービス)
 Smilegate Investment	South Korea	4	Growth	\$7 M	HUINNO (휴이노)
kakaovertures	Kakao Ventures	3	Growth	\$ 11 M	Standigm (스탠다임)
 ktb Network	South Korea	3	Early	\$ 16.8 M	JLK Inspection (제이엘케이인스펙션)
 Beyond Next Ventures	Japan	3	Growth	\$ 1.3 M	T-ICU (T-ICU)

2019 ROA HEALTHTECH TOP 5 NOTABLE DEALS



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 74 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 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 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 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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**ABOUT
GALEN GROWTH
ANALYTICS**

OUR ASIA PAC 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.



DEVELOPING MARKET

- 1) China
- 2) India
- 3) Indonesia
- 4) Malaysia
- 5) Philippines
- 6) Sri Lanka
- 7) Thailand
- 8) Vietnam





FRONTIER MARKET

- 1) Bangladesh
- 2) Bhutan
- 3) Cambodia
- 4) Laos
- 5) Myanmar
- 6) Nepal
- 7) Pakistan

MATURE MARKET

- 1) Australia
- 2) Brunei
- 3) Hong Kong
- 4) Japan
- 5) New Zealand
- 6) Singapore
- 7) South Korea
- 8) Taiwan

HEALTHTECH ALPHA COMPARISON

					Remarks
No. of HT Ventures Captured	2500+	300+	1000+	1400	
No. of HT Deals Captured	2400+	300+		1450	
Total Funding Tracked (since 2010)	US\$31B	US\$2B		US\$10B	
No. of Investors Captured	2700+	350+			
Funding Deal & Financial Profiling					
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
Business Model Profiling					
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
Other					
Management Team	Yes	Yes	Yes	Yes	eg. CEO Name
Incorporation Status	Yes	Yes	Yes	Yes	
Product Information	Yes	No	No	No	
Venture Indices					
Social Media	No	Yes	Yes	No	eg. Website traffic
Biz Maturity	Yes	No	No	Yes	eg. Operating model momentum

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

Health InsurTech



- 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

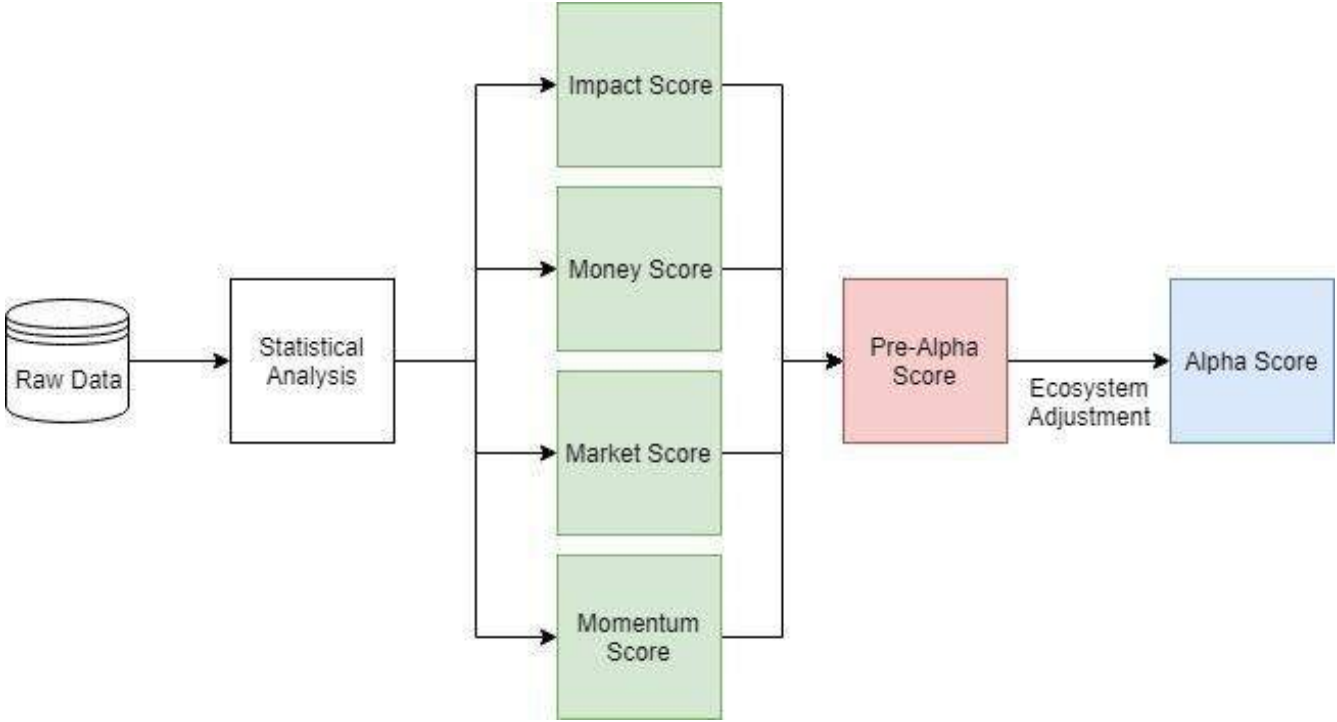
HEALTHTECH ALPHA VENTURE MATURITY ASSESSMENT

The HealthTech Alpha Venture Maturity assessment is a set of composite indices based on our proprietary algorithms which leverage and analyse multiple data points and calculates these unique indices for each venture.

There are four distinct and independent Alpha Indices which are computed into one final Alpha Score as follows:

- **Momentum index:** Evaluates the maturity and performance of the HealthTech venture relative to itself and ecosystem peers
- **Market index:** Measures the health of the sector category and sub-category in which a startup competes
- **Money index:** Quantifies the financial strength and wellbeing of a HealthTech startup based on its financial history, and investor quality
- **Impact index:** Assesses the relevance of an HealthTech venture to the ecosystem
- **The Alpha Score or Maturity Index:** The composite score based on the four Alpha indices which enables a comparison ranking and provides a 3D assessment of each venture

Alpha Score Calculation Flow



ABOUT HEALTHTECH ALPHA

The HealthTech Alpha workflow is best-in-class for on demand access to the latest market intel, active monitoring of portfolios and to pinpoint unique opportunities ahead of the market

Overview

Funding Events

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, Andreessen
Series B	06/2018	US\$ 19 M	Accel Partners, IDG Ventures	Endeavor Partners, PI Ventures, Binny Bansal
Series C	04/2019	US\$ 16 M	Trusted Insights	Accel Partners, Chratae Partners, Binny Bansal

Competitors

Comparables

Relationships

Dashboard

Alpha Score	Startup	Primary Supercategory	Proposition	Technology	Country	Total Funding	Valuation	Stage	Current Funding	Funding Date
63	WebGenome Labs	Research	Research, Diagnosis, Recovery / Management, Treatment	Genomics, Machine Learning / Deep Learning, Mobile Application, Cloud	India	\$73.66M	\$175.47M	Series C1	\$10.00M	3/2018
61	ID Medicine (IDMed)	Medical Diagnostics	Treatment, Diagnosis, Recovery / Management	Hardware, Machine Learning / Deep Learning, Mobile Application, Cloud, Biosensors	China	\$120.96M	\$576.25M	Series C	\$97.24M	11/2017
68	Health	Patient Solutions	Treatment, Awareness, Diagnosis, Recovery / Management	Analytics, Machine Learning / Deep Learning, Mobile Application	Singapore	\$3.00M	\$4.33M	Series A	\$1.00M	3/2013

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