





Galen Growth is pleased to share with you our latest report on Digital Health Platforms. We define Platforms and explain the current trends in the market that demand Platforms developed by ventures. Using Galen Growth's methodology, we show the potential merits of future Platforms as well as explore the hurdles and accelerators.

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



# Key Insights

- Digital Health 1.0 is approx. 10 years old and has reached a **maturity inflexion point** - Digital Health 2.0 will be the era of Digital Health Platforms
- Digital Health across 5 regional ecosystem is still growing at a **5-year CAGR of 8%**, leading to a **highly fragmented** space and an abundance of “Point Solutions” that are becoming a **barrier to adoption**. Complete solutions that operate seamlessly to solve multiple user pain points are needed
- Galen Growth defines **Platforms** as companies delivering proprietary, end-to-end treatment journeys while leveraging the full spectrum of digitally enabled healthcare tools (telemedicine, DTx, ePharmacy) to create a direct patient relationship that addresses a concrete unmet need with an easy access, low friction, consumerized healthcare product, thereby demonstrating data-driven patient outcome improvement
- Scaling of solutions will continue to be organic, but inorganic growth is accelerating, with 50% more acquisitions in 2021 than in 2020 – **78% of Digital Health M&A so far in 2022 is venture-to-venture**. Incumbents such as biopharma and insurers are largely still testing / trialing Digital Health solutions around specific pain points - Galen Growth sees limited scaling potential in the short term.
- **Three routes to scale: geographic expansion, therapeutic extension and value chain integration** - Galen Growth believes that building Digital Health Platforms POCs will require a minimum of value chain integration, some therapeutic extension and optional geographic expansion. Noteworthy trailblazers of Platform development include [Teladoc](#), [HealthHero](#), [Medlife](#), and [Omada Health](#)
- Galen Growth has defined a **methodology to construct potential Digital Health Platforms** based on proprietary analytics in **HealthTech Alpha**. Theoretical platform examples in the report demonstrate the power of data to identify potential platform value
- However, the future of the Digital Health Platform POV business case lies in business models, and across the ecosystem – investors, biopharma, insurers, tech, and health systems – there is **value in accelerating the development of Platforms**
- **Platform builders must maneuver around economic checks and balances, geopolitical hurdles, as well as evolving reimbursement schemes in order to build momentum and deliver a more seamless end-to-end value proposition to the Digital Health ecosystem**

# Scope of Analysis

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## SCOPE OF REPORT

- Digital Health Platforms are defined as aggregate solutions that are intended to overcome the fragmentation and disparate nature of healthcare services by acting as a one-stop-shop for information, support and engagement with services
- Digital Health Platform characteristics, trends and future growth potential
- An analysis of the four key regions of digital health: Asia Pac, the Middle East, Europe (key markets), and North America
- The following scope of analysis criteria must be met in order to be included in this report:
  - The venture was incorporated after 2002
  - The venture has been qualified as being Digital Health i.a.w. Galen Growth's rigorous taxonomy - see slide 51
  - The venture's geographic location is determined by its initial country of incorporation
  - Venture funding includes all stages up to but excluding the exit event
  - Subsidiaries of large corporation (e.g. Microsoft) are excluded

## SOURCE OF DATA

Unless otherwise stated, all data are exclusively sourced from Galen Growth's proprietary database **HealthTech Alpha™** – the global leading digital health intelligence and analytics on-demand platform. Presently, HealthTech Alpha tracks more than 155M datapoints and has a coverage exceeding 10,000 digital health ventures across the globe. For more information visit <https://www.healthtechalpha.com/>



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# ABOUT GALEN GROWTH

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# Unleash HealthTech Innovation



NORTH AMERICA | ASIA PACIFIC | EUROPE | MIDDLE EAST | LATIN AMERICA

We enable our clients across the world to achieve their ambitions in Digital Health.

From strategic advisory work, enabling companies to understand complex market problems, scouting for specific HealthTech solutions to solve problem statements, through to corporate venturing.

With our specialist knowledge, unmatched Digital Health data and deep connections in the HealthTech ecosystem, we help companies change healthcare for the better.



# Galen Growth's Differentiators

Our unique combination of data, analytics, specialist team and Digital Health network, enables our clients to outperform their competition

[Talk to us](#)



## Global HealthTech Ecosystem Coverage.

Our unmatched coverage of the world's most innovative HealthTech ventures means more innovation choice and better outcomes. Our US, Asia and European offices serve clients worldwide.

## Specialist Team with Decades of Experience

With decades of experience, our team of analysts, researchers, insurance & pharmaceutical industry experts, extend your team with specialist insights and skills.

## Tailored Innovation Solutions.

Whatever stage you are at in your innovation journey, we have a world class solution to enable you to succeed. Every solution leverages our unrivalled HealthTech data.



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# HealthTech Alpha

**The world's best digital health private market data platform**

The foundation of our work is our unmatched Digital Health dataset powered by HealthTech Alpha. HealthTech Alpha monitors, aggregates and audits millions of data points to give you the most profound understanding of Digital Health.

Whether you are determining a market entry strategy, fine-tuning Digital Health product development, looking to benchmark and differentiate against your competition or researching future Digital Health innovation, HealthTech Alpha has you covered. Get started with HealthTech Alpha and make better data-driven innovation decisions.

**Learn more:**

[Find Best-Fit Ventures](#)

[Due Diligence](#)

[Ecosystem Insights](#)

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# Get more comprehensive Digital Health research

We leverage our unmatched data and analyst team to research and publish unique go-to-reference reports on the HealthTech ecosystem.

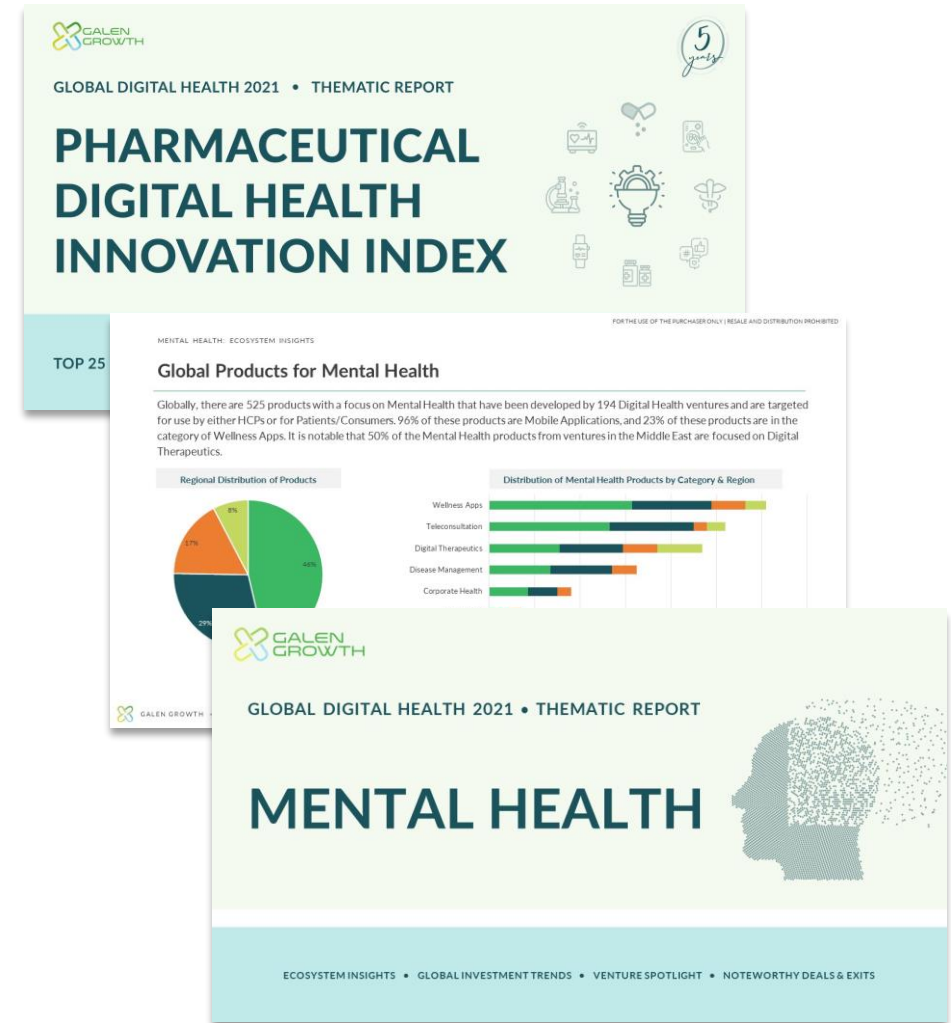
Pharmaceutical Digital Health Innovation Index

Mental Health 2021 Thematic Report

Oncology 2021 Thematic Report

Remote Patient Monitoring 2021 Analysis Report

Telemedicine 2021 Analysis Report



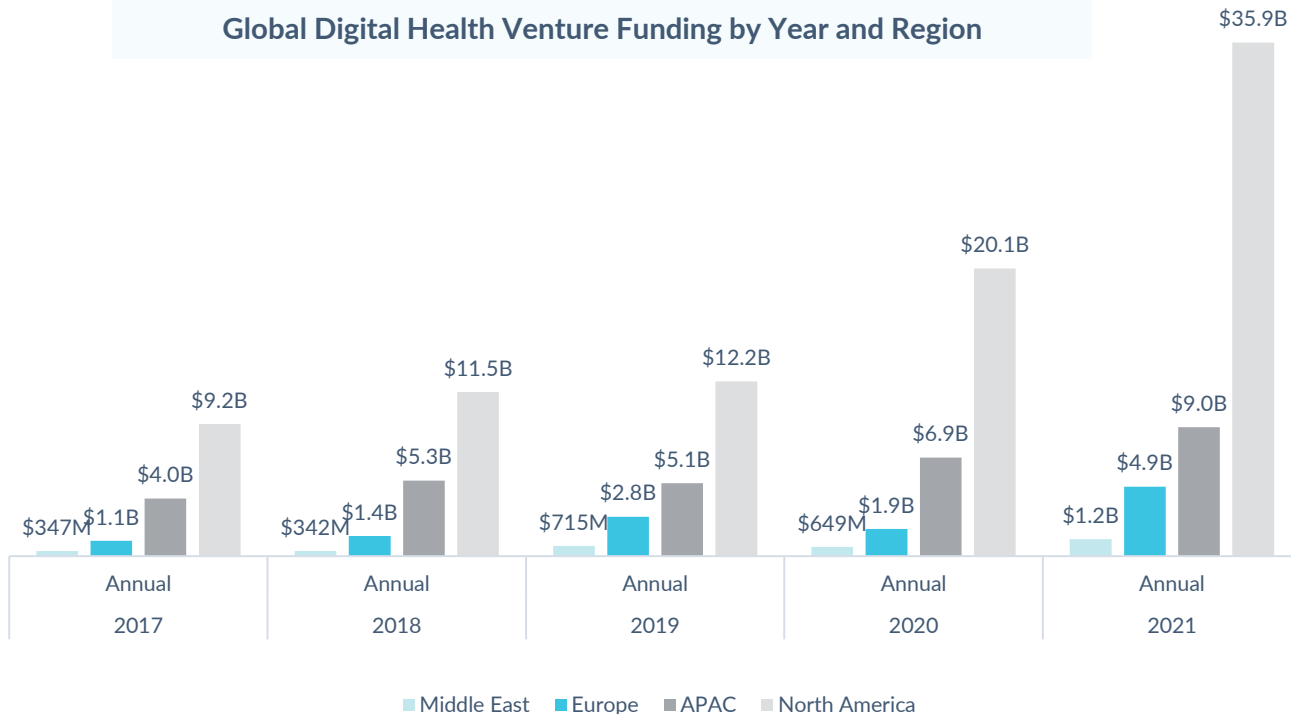


## INTRODUCTION: DIGITAL HEALTH

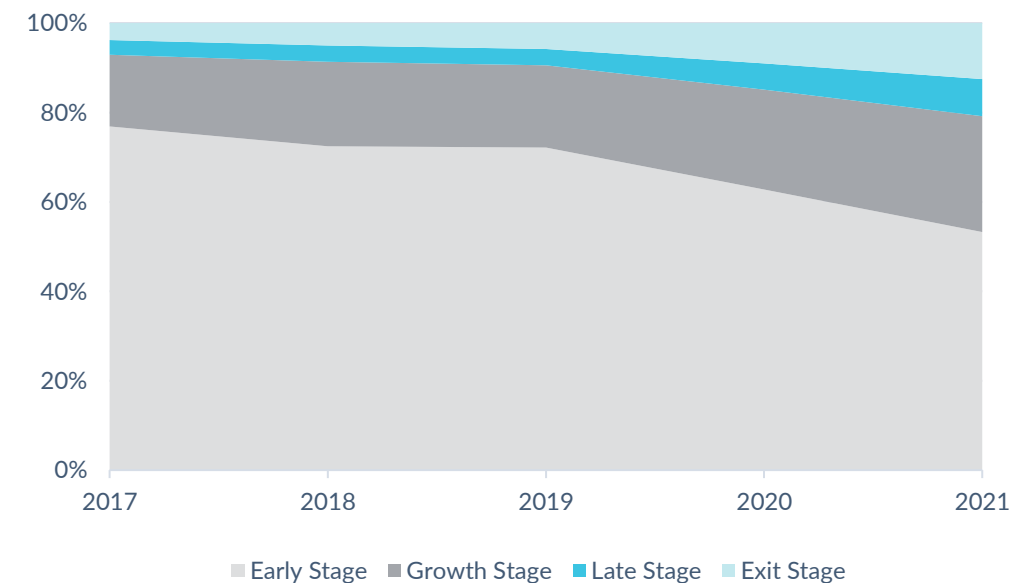
# Global Digital Health

In the past 10 years, innovation in Digital Health has grown rapidly, with the number of newly incorporated ventures growing at a 5-year CAGR of 8%. Demand for Digital Health, as well as expectations, were disrupted by the pandemic, leading to frantic growth and skyrocketing venture funding. Still, some business cases remain unproven post-pandemic (e.g. telemedicine), and many IPOs from 2020 and 2021 have revalued to reveal often shaky foundations. Moving forward, the rapidly maturing Digital Health ventures must develop business strategies that are sustainable in the post-pandemic era.

### Global Digital Health Venture Funding by Year and Region



### Venture Funding Share Deployed by Stage and Year



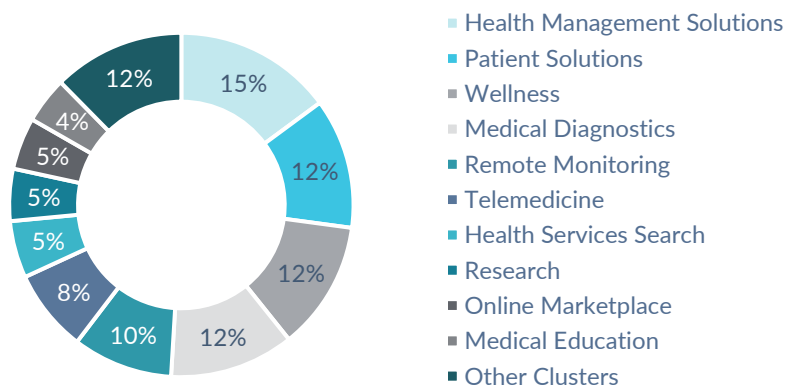
# Digital Health Fragmentation and Customer Adoption

The venture ecosystem is fragmented, with half of the Digital Health ventures focused on only 4 Digital Health clusters<sup>1</sup>: Health Management Solutions, Patient Solutions, Telemedicine and Wellness. The outcome is an abundance of niche solutions that are difficult for a patient, healthcare provider, or researcher to navigate and piece together.

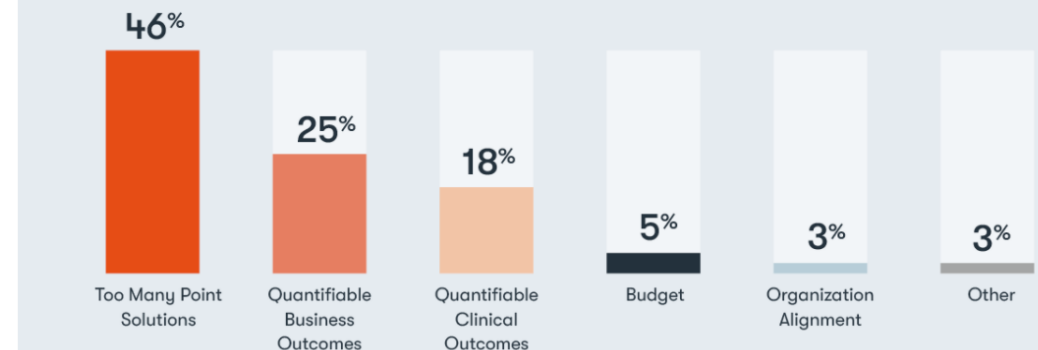
As evidence, a 2021 survey by Happify Health of large employers and health insurance companies in the US indicated that the “largest barrier to executing a successful digital health strategy” was the sheer abundance of “Point Solutions”<sup>2</sup>.

The market is demanding a more cohesive digital health solution that will break down the siloed healthcare market. It is demanding solutions that function seamlessly across co-morbidities and healthcare providers. Digital health Platforms are therefore in demand.

Volume Share of Global Digital Health Ventures by Cluster<sup>1</sup>



Barriers to a Successful Digital Health Strategy



Burk, Patrick, Happify Health<sup>2</sup>

- 1) see page 51 for Galen Growth's Digital Health taxonomy
- 2) Burk, Patrick, Happify Health. Mar 2022. Top 4 Insights From Our Digital Health Strategies Survey. Available at <https://blog.happifyhealth.com/ear-to-ear/top-4-insights-from-our-digital-health-strategies-survey>.

# What are Digital Health Platforms?

Digital Health Platforms are aggregate solutions that are intended to overcome the fragmentation and disparate nature of healthcare services by acting as a one-stop-shop for information, support and engagement with services. They can either complement or help reduce reliance of traditional health infrastructure. A platform starts with a “Catalyst” venture, which expands its solutions to become a platform.

**Therapeutic Area Extension (TAE)** - Digital Health providers take a proven solution and expand it across multiple therapeutic areas in order to develop a platform that can be used by a single patient with co-morbidities or by a single population (such as within a single employer) with diverse medical indications. Because TAE Platforms require understanding a broader range of indications, they are less common.



**Value Chain Integration (VCI)** - Digital Health providers build a single point-solution for a specific therapeutic area, then they expand to offer additional solutions that address more pain-points within the same therapeutic area.



**Geographical Expansion (GE)** - Galen Growth does not classify this expansion strategy to be platform development, as it does not satisfy the requirement of overcoming fragmentation by providing aggregate solutions over therapeutic areas or digital health categories. Geographic Expansion is often attained in combination with TAE or VCI, such as the Teladoc example in this report.

## INTRODUCTION: PLATFORMS

# Platform and Geographic Expansion – Teladoc Example

[Teladoc](#) acquired [Livongo](#) for \$18.5B in 2020 in one of the largest Digital Health deals in North America. However, the 18-year journey started with Teleconsultation at initial incorporation in 2002, moving to initial geographic market expansion in 2013, turning to therapeutic area extension of behavioural and mental health solutions in 2015, and finally to value proposition integration starting in 2016.

## Therapeutic Area Expansion



**COUNTRY**  
United States

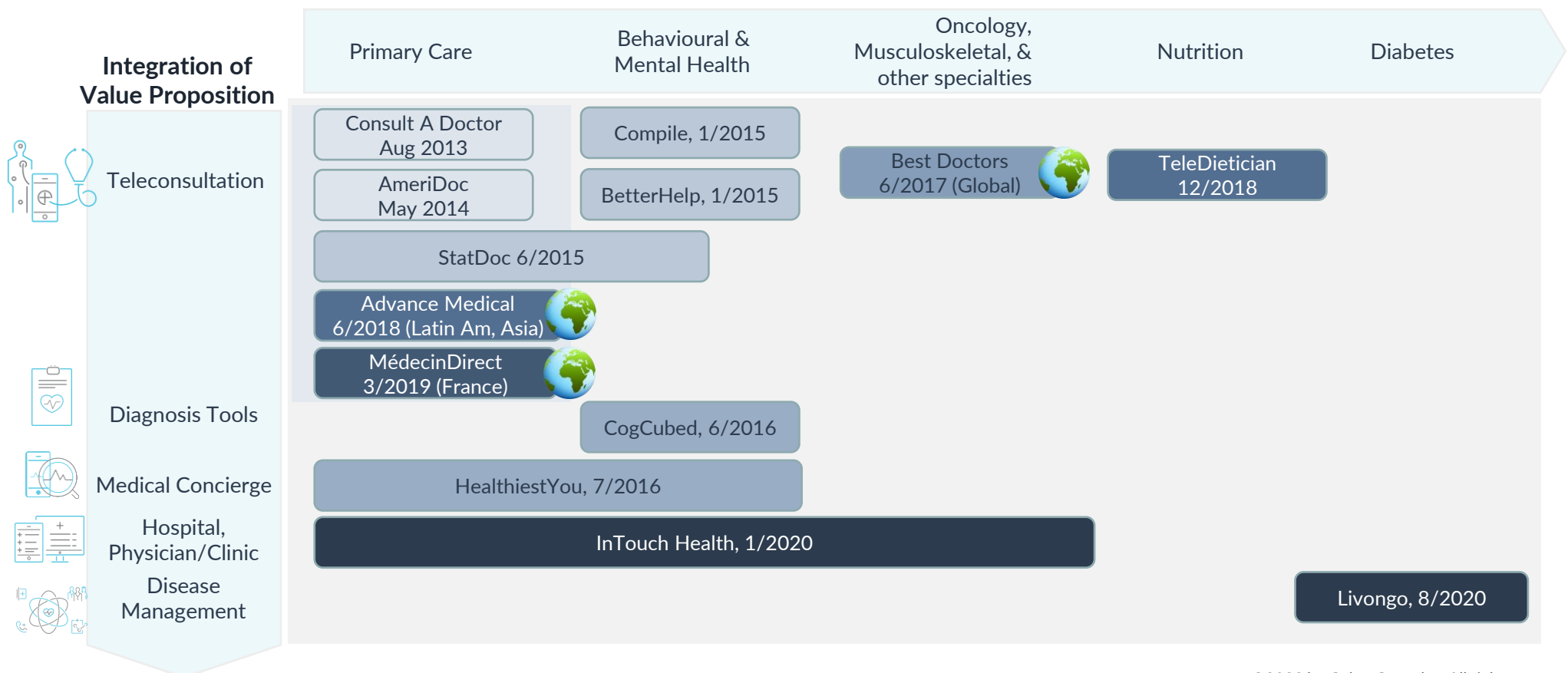
**MARKET CAP**  
\$13.16B

**MATURITY SCORE**  
94.0

**INC. DATE**  
10/2002

**PRIMARY CATEGORY**  
Teleconsultation

**PRIMARY THERAPEUTIC AREA**  
Disease Agnostic



# Why Digital Health Platforms?

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Digital Health Platforms focused on Value Chain Integration (VCI) are fundamentally redesigning the patient journey and putting patients at the center. They are creating a clear competitive advantage when compared to Telemedicine, Digital Therapeutics (DTx), and eCommerce.

Whilst, Telemedicine providers can no doubt offer valuable care, as proven during the pandemic, they are struggling to achieve attractive margins due to the difficulty in scaling healthcare-providers' time. Many have and will be tempted to adopt a Geographic Expansion (GE) strategy.

Whereas VCI focused Platforms can leverage the 'Telemedicine' function as a patient engagement and care tool, they will, by their integration of other patient journey engagement points not be fundamentally reliant on Telemedicine for revenue generation, thus solving their commercial headwinds.

Similarly, DTx companies typically have the ability to improve patient outcomes but can struggle with go-to-market and adoption. Again, VCI Platforms can leverage an end-to-end care pathway to seamlessly integrate these value-adding solutions, where necessary, into the patient journey, thus driving adoption.

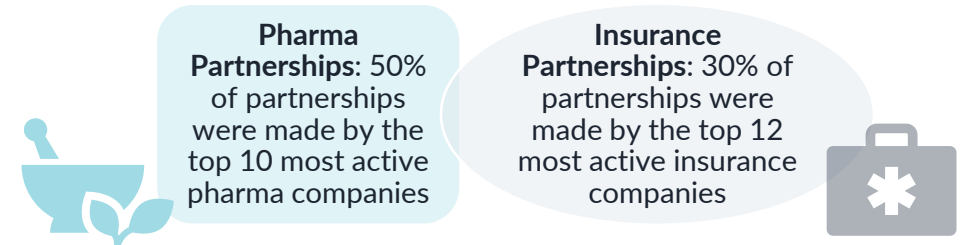
Rx Fulfilment / ePharmacy players typically succeed in driving revenue through a direct sales channel to the patient but struggle with churn and retention. TAE Platforms can focus on creating a long-term patient relationship through their focus on disease co-morbidities and lock-in an improvement in patient outcomes.

## Consolidation Has Begun, Driven by Digital Health Ventures

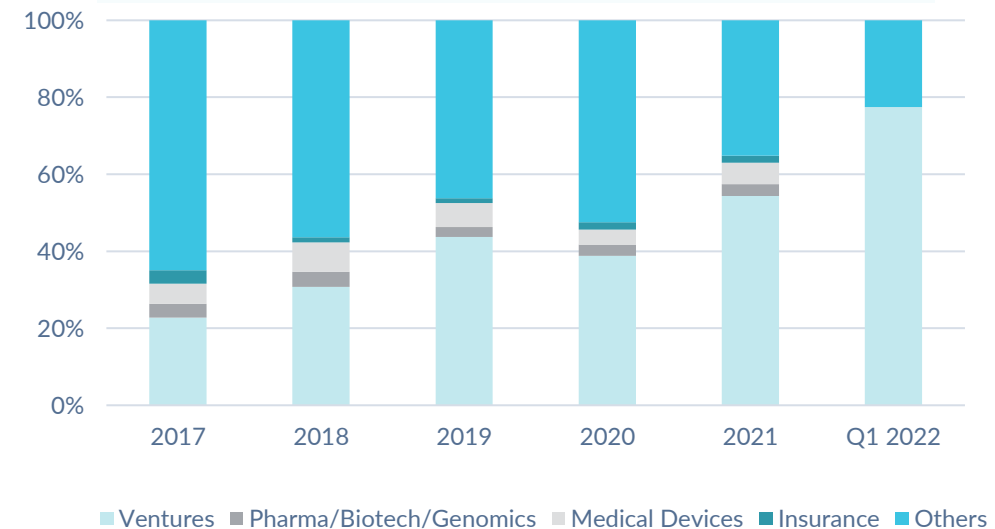
While large corporate organizations, such as Pharma, Medical Device, or Insurance companies have been experimenting with Digital Health partnerships, Galen Growth's analysis of Biopharma company portfolios in the *Pharmaceutical Digital Health Innovation Index* report from Nov 2021 revealed that **50% of the partnerships between Digital Health ventures and pharmaceutical companies had been established by only the top 10 companies**, and only a total of 30 pharmaceuticals have announced more than 5 partnerships. Of these 30 pharmaceutical companies, only 6 had portfolios that were optimally aligned. Therefore, **pharmaceuticals are not expected to drive innovation in Digital Health** in the short term.

Since 2016, acquisitions by Pharma, Medical Device companies and Insurance companies make up less than 12% of the total acquisition volume. In contrast, **the proportion of M&A of Digital Health ventures where another venture has been the acquirer has risen from 22% in 2017 to 78% in Q1 2022 alone**, and therefore ventures are clearly gaining momentum in acquisitions, and consolidation of ventures is expected to accelerate in mature regions, such as North America and Asia Pacific.

### Partnerships between Digital Health Ventures and Corporates

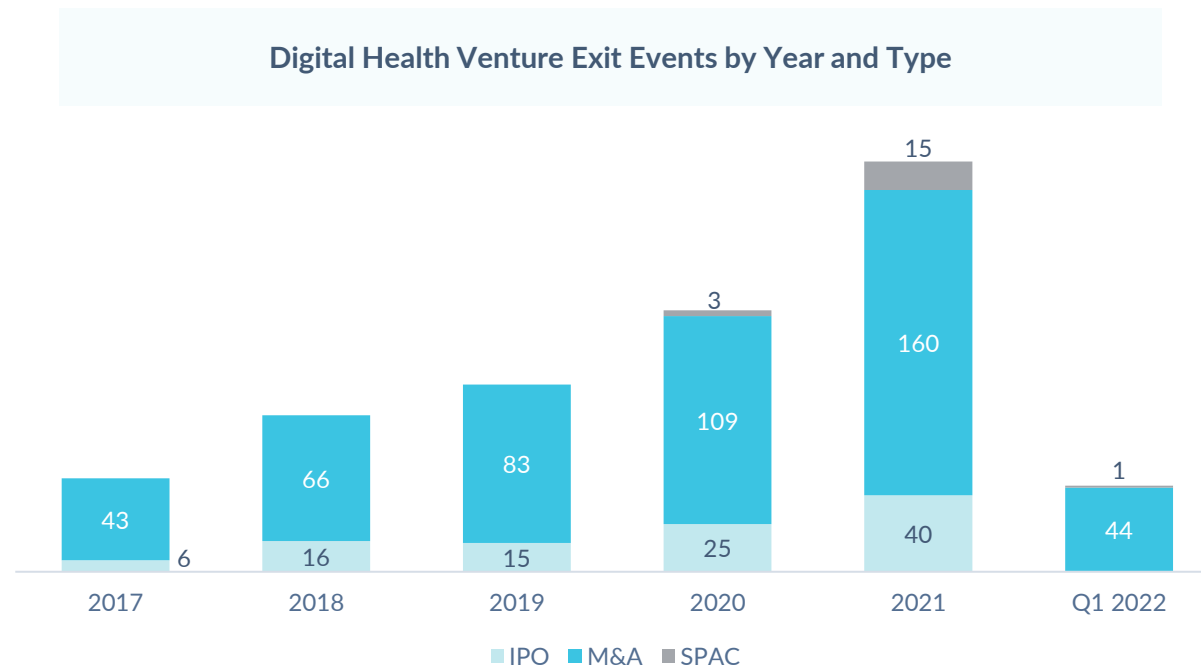


### Acquisition Share of Digital Health Ventures by Vertical



## Digital Health Platforms – Focus on M&A

Scaling a venture into a platform can be achieved either organically or inorganically, through acquisition. The number of Digital Health ventures that have been acquired has grown 50% YOY from 2019 through 2021, and the previous graph of acquisition share of Digital Health ventures by industry vertical shows a clear trend of inorganic acquisition driven by ventures in order to scale quickly and develop platform solutions for established customers. Partnerships are common in Digital Health, but these are generally more complex to sustain and scale. Therefore, this report will focus on inorganic growth of Digital Health Platforms through M&A.



Platform

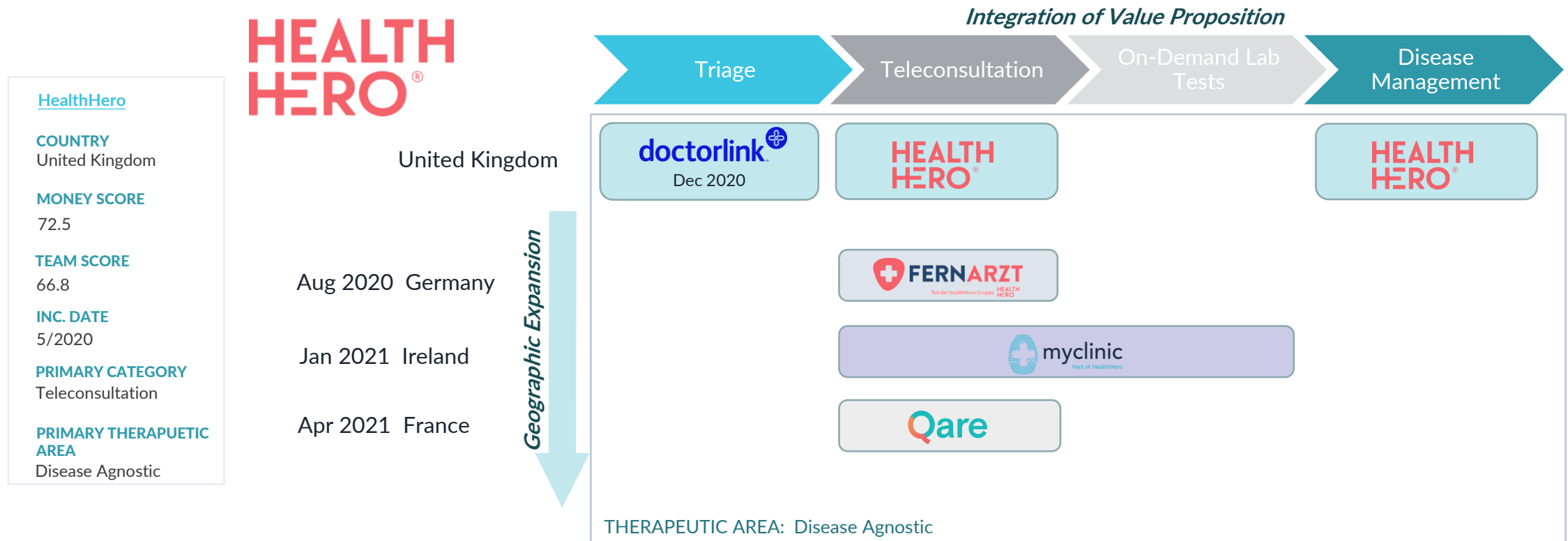
# EXAMPLES

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# Geographic Expansion Example - HealthHero

[HealthHero](#) is a venture incorporated in the United Kingdom, which has built a platform around their core competency of Teleconsultation. Acquisitions outside of the UK have focused on geographic expansion: Germany in August 2020, Ireland in January 2021 (which included On-Demand Lab Test services), and most recently France in April 2021. Acquisitions within the UK were targeted to expand their product offering, such as adding Triage services in December 2020 through the [DoctorLink](#) acquisition.



## Value Chain Expansion Example - Medlife

India's Online Pharmacy startup [Medlife](#) built a healthcare platform that expanded its core pharmacy capabilities. In late 2018, [Medlife](#) acquired [EClinic24/7](#) to integrate Telemedicine services, and 3 months later it purchased [Myra](#) to integrate prescription delivery services. To further expand its platform services, [Medlife](#) acquired [MedLabz](#), which had an established network of diagnostic labs and could therefore offer On-Demand Diagnostic Testing capabilities. [Medlife](#) was well-positioned for at-home healthcare needs during the pandemic, and the flourishing business was acquired by [PharmEasy](#), one of its closest competitors, in September 2020.



### COUNTRY

India

### LATEST FUNDING

\$235M (Acquired by PharmEasy)

### MATURITY SCORE

77.7

### INC. DATE

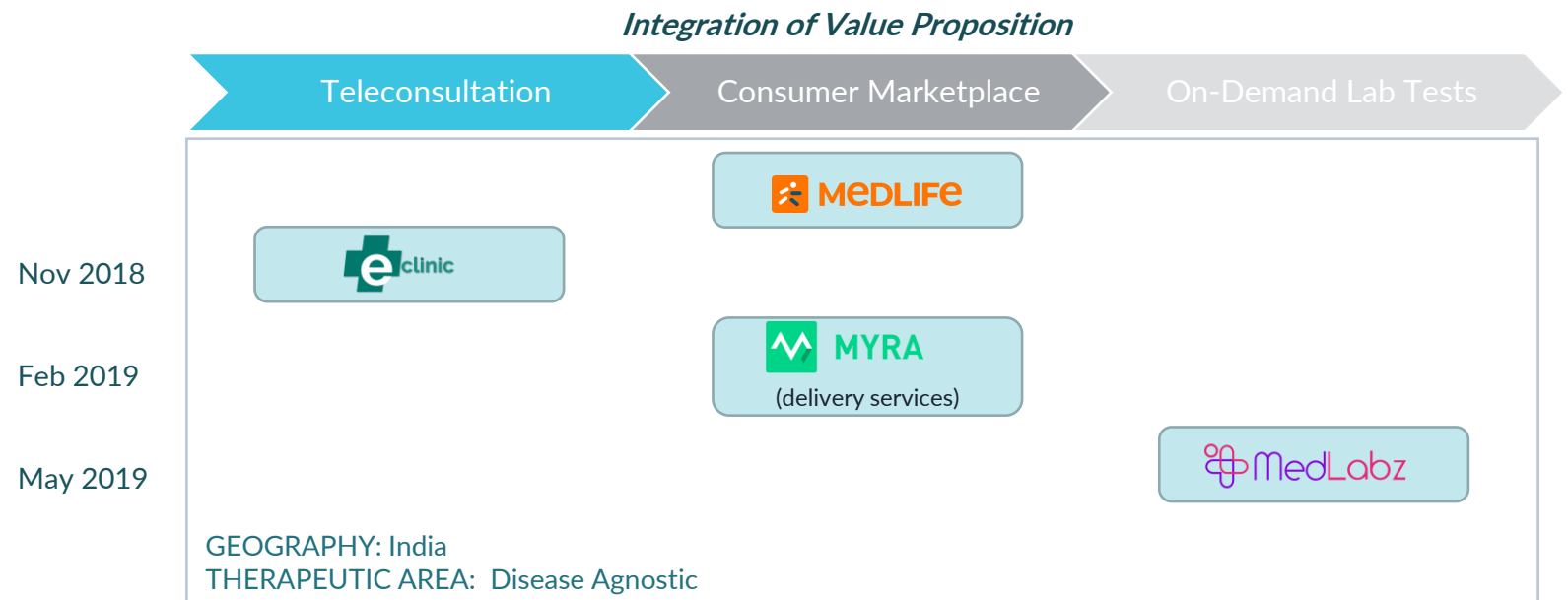
11/2014

### PRIMARY CATEGORY

Consumer Marketplace

### PRIMARY THERAPEUTIC AREA

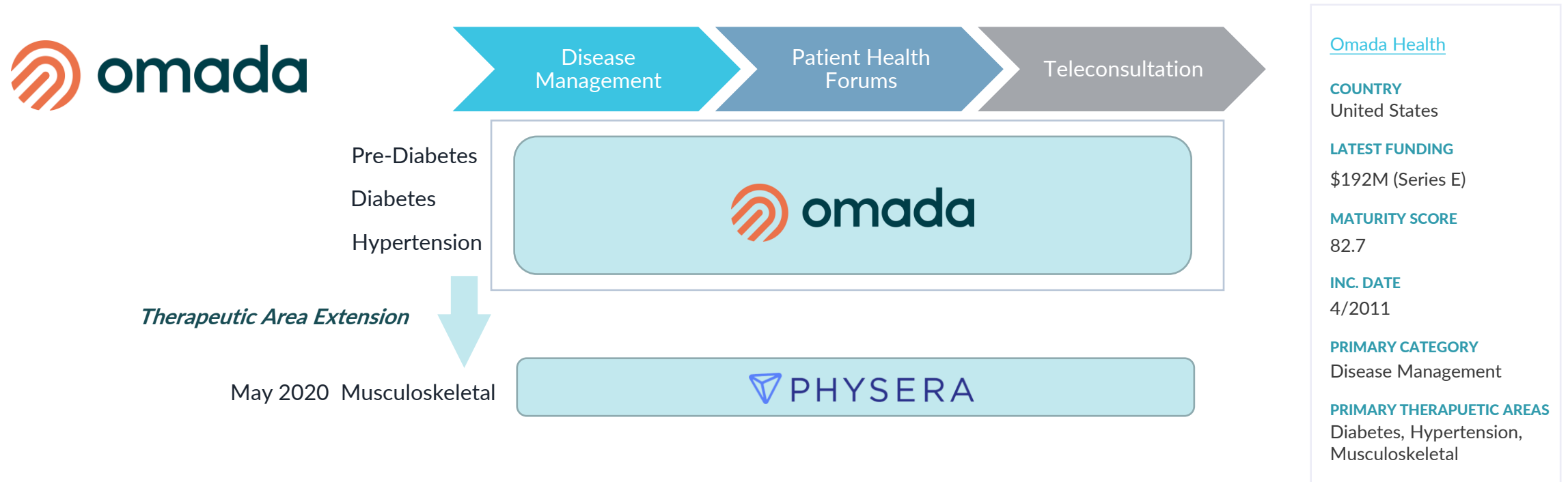
Disease Agnostic



In September 2020, Medlife was acquired by its close competitor, [PharmEasy](#)

## Therapeutic Area Extension Example – Omada Health

With the acquisition of [Physera](#) in May 2020, US-based [Omada Health](#) extended its Disease Management platform into the therapeutic focus area of Musculoskeletal diseases. Prior to the acquisition, both Omada and Physera offered their solutions primarily to health plans and employers, and with the acquisition of Physera, Omada acquired the Physera apps along with the 4 Physera patents.



Methodology for

# BUILDING PLATFORMS

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# Venture M&A Readiness

Scaling a venture through acquisition requires that a venture has reached sufficient maturity of their growth strategy. Galen Growth does not take the amount of fundraising into account, since we expect most of acquisitions to be stock-for-stock deals.

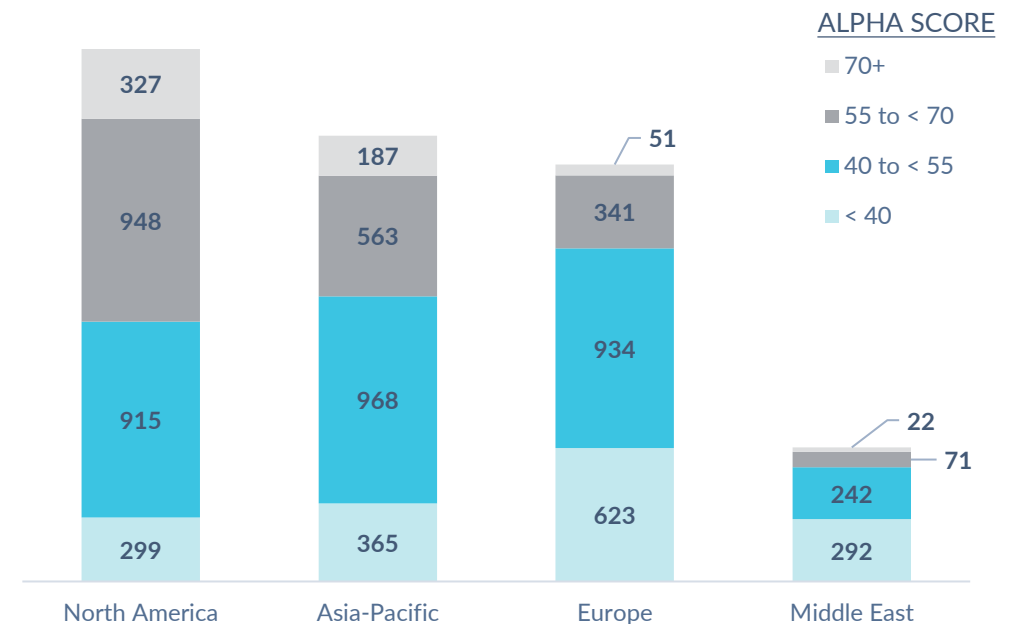
## Venture Maturity for Acquisition

Galen Growth calculates venture maturity using the proprietary Alpha Score, which analyses the ventures in a multi-dimensional approach, considering aspects of the venture relative to the ecosystem in which they operate. The venture ecosystem in North America contains the highest number of mature ventures, with presently **327 private ventures evaluated at maturity scores above 70**.

### Alpha Score Correlation with Venture Strategy

- < 40 Building phase
- 40 – 55 Establishing a promising solution
- 56 – 70 Scaling into a fully commercial solution
- > 70 Established solution on the market that is operating at scale. The venture maturity is sufficient to begin focusing on developing the business strategy further.

Venture Volume by Alpha Score and Region



## Digital Health Platforms– Identifying the Catalyst with HealthTech Alpha

Using HealthTech Alpha’s proprietary analytics along with historic trend monitoring, Galen Growth is in the unique position to easily pinpoint the catalyst and acquisition target for future Digital Health Platforms.

Our methodology for selecting the *Catalyst* of the platform:

| Metric                 | Importance of the Metric   | Criteria   |
|------------------------|--|--|
| Alpha Score            | Venture has reached sufficient maturity of their own growth strategy to focus on inorganic growth  | > 70   |
| Team Score             | A successful acquisition starts with a strong management team, capable of rapid scaling and integration. The Team Score evaluates the strength and experience of the venture management team | > 50   |
| Money Score            | Venture must have healthy finances relative to their growth stage and ecosystem. The Money Score evaluates the venture ecosystem in addition to funding stage and value                      | > 55   |
| Partnerships           | Existing partnership show the experience working in cooperation with other entities  | > 1  |
| Therapeutic Area       | In a Therapeutic Area that is active in platform development in their respective region  | Includes at least one of the Regional Hotspot TAs or Clusters* |
| Digital Health Cluster | In a Digital Health cluster that is active in platform development in the respective region  |  |

\*Note: see page 27 for further information

## Calculating the Next Platform Acquisition – Identifying The Acquiree

A target venture for acquisition is intended to expand capabilities of the catalyst by either extending it into a new Therapeutic Area (TAE) or integrating into a complementary Digital Health category (VCI) in order to overcome fragmentation and build a one-stop-shop for information, support and engagement with services.

For illustration purposes, we have built theoretical Platforms by combining a Digital Health catalyst with suitable bolt-on targets in accordance with our methodology.

Our methodology for selecting the *Acquisition Target* of the platform:

| Metric                 | Importance of the Metric  | Criteria  |
|------------------------|---|---|
| Alpha Score            | It is beneficial to have venture maturity as high as possible, without being more mature than the acquiring venture | < 70  |
| Momentum Score         | The venture has been able to build interest and grow with its current business strategy and Digital Health solution | > 30  |
| Innovation Score       | The venture has innovative and proven solutions that have already been introduced to the market.                    | Preference given to higher scores                             |
| Therapeutic Area       | In a Therapeutic Area that is active in platform development in their respective region                             | Include at least one of the Regional Hotspot TAs or Clusters* |
| Digital Health Cluster | In a Digital Health cluster that is active in platform development in the respective region                         |   |

\*Note: see page 27 for further information

## Historical Regional Hotspots for Acquisition

Galen Growth analysed the therapeutic areas and Digital Health clusters with greatest number of venture acquisition, over the past 6 years (see Deep Dives section) and the results are summarised in the table below for the 3 largest global regions in Digital Health. Health Management solutions is a top cluster across all 3 regions, as well as ventures with solutions that are Disease Agnostic.

|                      | Top 3 Clusters for Acquisition                                | Top 3 Therapeutic Areas for Acquisition             |
|----------------------|---|---|
| <b>North America</b> | Health Management Solutions, Remote Monitoring, Telemedicine  | Disease Agnostic, Oncology, Preventive Health       |
| <b>Asia Pacific</b>  | Health Management Solutions, Wellness, Online Marketplace     | Disease Agnostic, Preventive Health, Women's Health |
| <b>Europe</b>        | Health Management Solutions, Telemedicine, Medical Diagnostic | Disease Agnostic, Oncology, Mental Health           |

# Potential Digital Health Platform – EUROPE

ILLUSTRATIVE ONLY

## POTENTIAL CATALYST



### [Wellster Healthtech](#)

|   |      |                         |
|---|------|-------------------------|
| <b>COUNTRY</b>                                      | 47.0 | <b>PRIMARY CATEGORY</b> |
| Germany   |      | Teleconsultation        |
| <b>LATEST FUNDING</b>                               |      | <b>TEAM SCORE</b>       |
| \$ 61.7M (Series B & B1)                            | 50.0 |                         |
| <b>PRIMARY THERAPEUTIC AREA</b>                     |      | <b>MATURITY SCORE</b>   |
| Sexual Health, Men's Health<br>Mental Health, Sleep | 67.2 |                         |

#### DESCRIPTION

Wellster Healthtech Group is building Europe's leading healthcare platform by integrating telemedicine, effective medication and online pharmacies into one reassuring brand experience. Their brands include Spring for men, HelloEasy for sleep products, and EasyTest for on-demand lab tests.)

## POTENTIAL ACQUISITION TARGET

### Therapeutic Area Extension



### [The Female Company](#)

|                                 |      |                         |
|---------------------------------|------|-------------------------|
| <b>COUNTRY</b>                  |      | <b>PRIMARY CATEGORY</b> |
| Germany                         |      | Consumer Marketplace    |
| <b>LATEST FUNDING</b>           |      | <b>MOMENTUM SCORE</b>   |
| Undisclosed (Seed)              | 36.0 |                         |
| <b>PRIMARY THERAPEUTIC AREA</b> |      | <b>MATURITY SCORE</b>   |
| Women's Health                  | 49.5 |                         |

#### DESCRIPTION

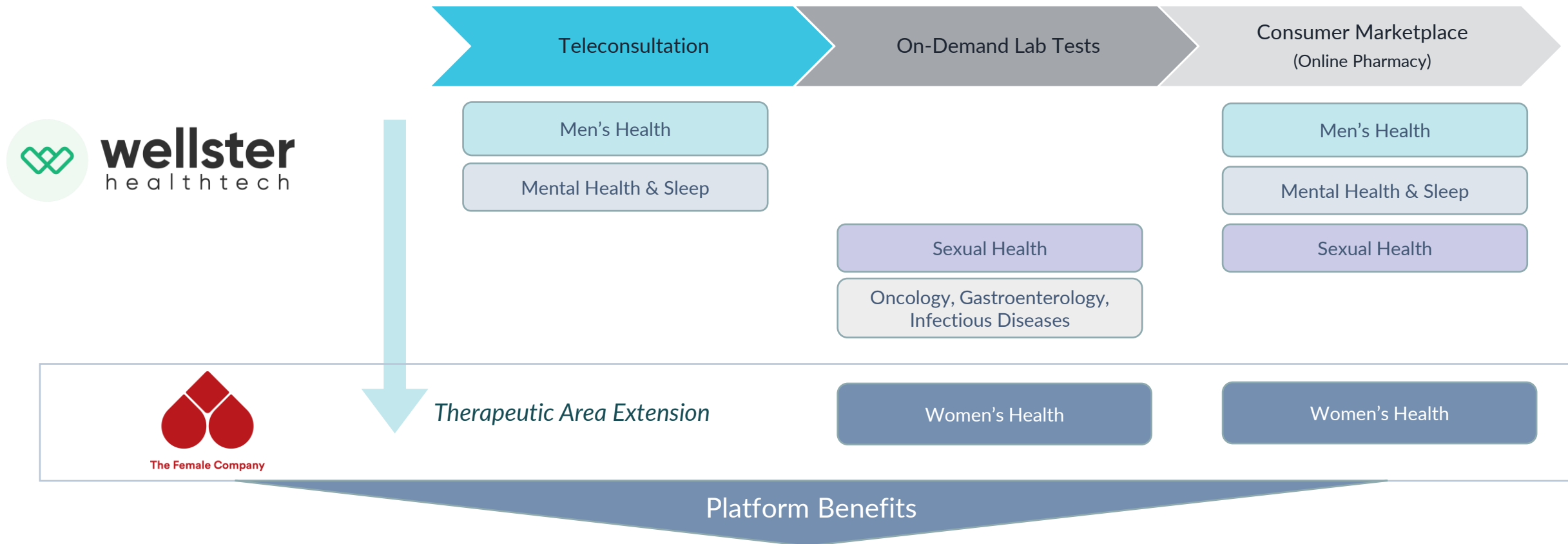
The Female Company is a direct-to-consumer FemCare company, setting a new standard for solutions around female intimacy. TFC's mission is to empower women to be proud in their womanhood, by reinterpreting long overlooked and underestimated categories around female health - starting with the period and postpartum products.

## Benefits of Platform Extension

Wellster offers Teleconsultation and Online Marketplace (including pharmacy) services to customers in the Therapeutic Areas of Men's Health, Sexual Health, Mental Health and Sleep. With an established platform infrastructure and healthcare professionals on staff, Wellster Healthtech would reach more customers by extending the therapeutic focus to Women's Health. Such a combination of Men's and Women's Health services has proven itself in the United States via ventures such as Hims&Hers as well as Ro.

# Digital Health Platform Mapping- EUROPE

ILLUSTRATIVE ONLY



Therapeutic Area Extension utilizes the existing IT infrastructure and sales channels while extending the customer base.

# Potential Digital Health Platform – NORTH AMERICA

ILLUSTRATIVE ONLY

## POTENTIAL ACQUIRER



### [Solera Health](#)

|                                 |      |                         |
|---------------------------------|------|-------------------------|
| <b>COUNTRY</b>                  | 47.0 | <b>PRIMARY CATEGORY</b> |
| United States                   |      | Care Coordination       |
| <b>LATEST FUNDING</b>           |      | <b>TEAM SCORE</b>       |
| \$42M (Series C)                |      | 75.1                    |
| <b>PRIMARY THERAPEUTIC AREA</b> |      | <b>MATURITY SCORE</b>   |
| Disease Agnostic                |      | 70.0                    |

### DESCRIPTION

Solera's platform provides a marketplace of curated networks of digital and community point solutions focused on intensive, evidence-based lifestyle, behavioral, and social interventions to impact the most prevalent and costly chronic conditions. Solera strategically matches consumers to their best-fit solution and helps keep them engaged for successful health outcomes.

## POTENTIAL ACQUISITION TARGET

### Value Proposition Expansion

# EJENTA

### [Ejenta](#)

|                                 |  |                           |
|---------------------------------|--|---------------------------|
| <b>COUNTRY</b>                  |  | <b>PRIMARY CATEGORY</b>   |
| United States                   |  | Remote Monitoring Devices |
| <b>LATEST FUNDING</b>           |  | <b>MOMENTUM SCORE</b>     |
| Undisclosed (Seed)              |  | 48.0                      |
| <b>PRIMARY THERAPEUTIC AREA</b> |  | <b>MATURITY SCORE</b>     |
| Disease Agnostic                |  | 55.5                      |

### DESCRIPTION

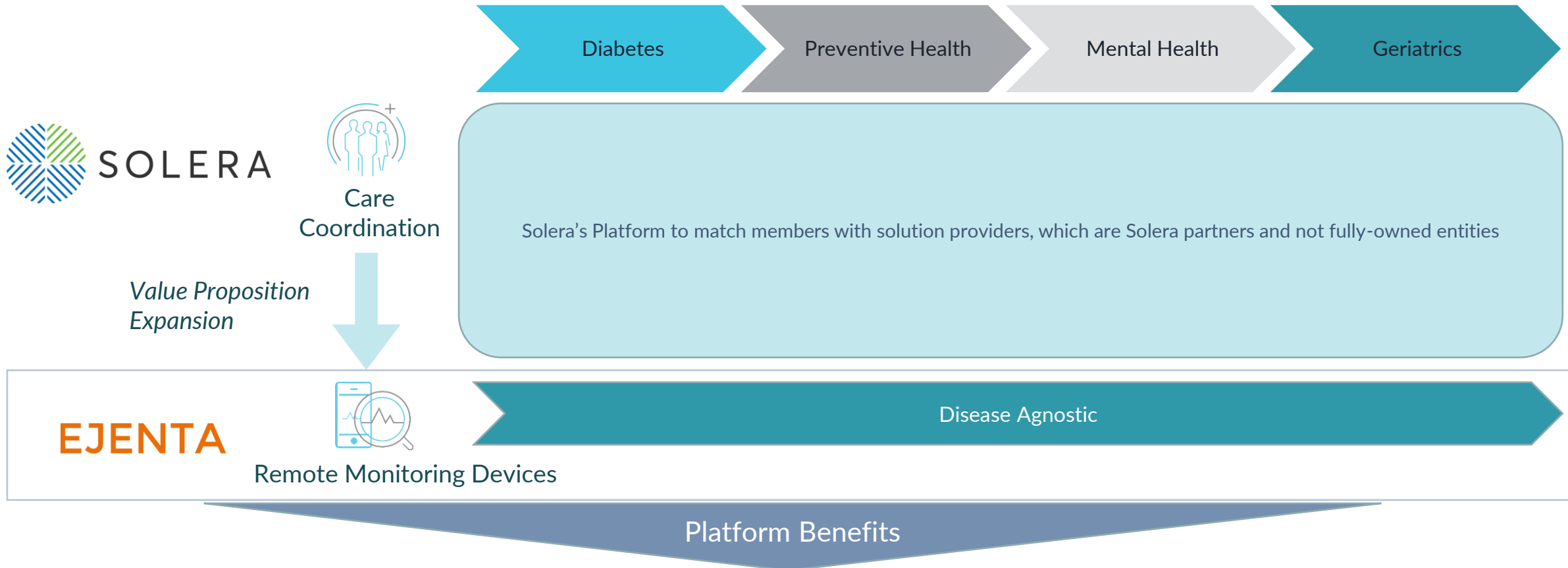
Ejenta's mission is to make healthcare patient-centered and data-driven. Our platform allows health providers to remotely care for patients and predict health, using data from a variety of devices and medical records. Ejenta's platform was developed using technology that NASA pioneered for 24/7 monitoring of astronauts in space, and we're now applying it to address the problems of millions of patients back on earth.

## Benefits of Platform Extension

As a Care Coordination platform offering curated networks of point solutions developed through partnering agreements, Solera would benefit from acquiring a venture that provides it Remote Monitoring solutions. Data collected through the remote monitoring devices could be shared to the partner network, enrich the capability of the point solutions and eliminate the need for each solution to collect data separately. Ejenta provides the monitoring capability in addition to calculating data-driven insights.

# Digital Health Platform Mapping – NORTH AMERICA

ILLUSTRATIVE ONLY



Value Proposition Integration by integrating data and insights collected by Ejenta's remote monitoring platform will benefit to the partnering providers as well as increase the ease-of-use for the patient.

# Potential Digital Health Platform – ASIA PACIFIC

ILLUSTRATIVE ONLY

## POTENTIAL CATALYST



### [Doctor Anywhere](#)

|                                 |                         |
|---------------------------------|-------------------------|
| <b>COUNTRY</b>                  | <b>PRIMARY CATEGORY</b> |
| Singapore                       | Teleconsultation        |
| <b>LATEST FUNDING</b>           | <b>TEAM SCORE</b>       |
| \$65.3M (Series C)              | 71.5                    |
| <b>PRIMARY THERAPEUTIC AREA</b> | <b>MATURITY SCORE</b>   |
| Disease Agnostic                | 83.2                    |

#### DESCRIPTION

Doctor Anywhere is a tech-led healthcare company founded to improve healthcare delivery and provide convenient access to health and wellness solutions. With a strong network of healthcare providers, our digital platform enables people to manage their health in a way that best suits their lifestyle needs.

## POTENTIAL ACQUISITION TARGET Value Proposition & Therapeutic Area Expansion



### [Healthzilla](#)

|                                 |                         |
|---------------------------------|-------------------------|
| <b>COUNTRY</b>                  | <b>PRIMARY CATEGORY</b> |
| Singapore                       | Wellness Apps           |
| <b>LATEST FUNDING</b>           | <b>MOMENTUM SCORE</b>   |
| \$50k (Seed)                    | 38.0                    |
| <b>PRIMARY THERAPEUTIC AREA</b> | <b>MATURITY SCORE</b>   |
| Preventive Health               | 53.0                    |

#### DESCRIPTION

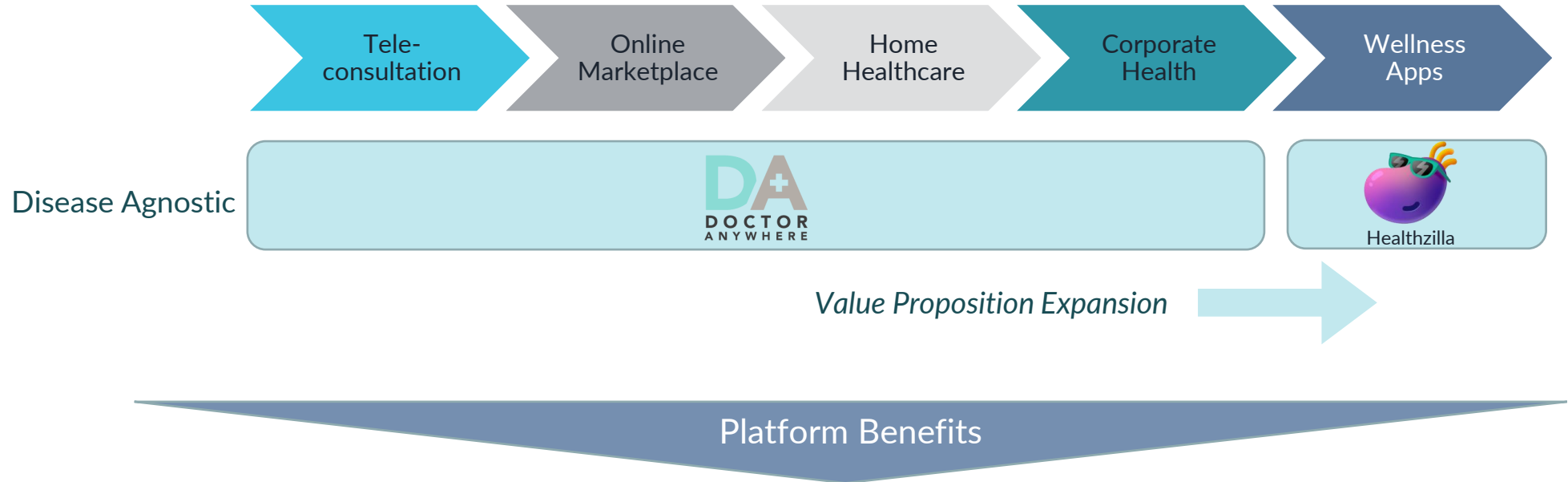
Healthzilla's mission is to combine the psychology of habit building, the analytical capabilities of machine learning, real-time health data from sensors, and the latest in preventative healthcare research.

## Benefits of Platform Extension

As a platform for providing healthcare, Doctor Anywhere provides Teleconsultation in the areas of Primary Care, Mental Health, Chronic Disease Management, and several other specialty areas. The addition of the Healthzilla platform would expand the Wellness capabilities of Doctor Anywhere to encourage users to not only use the platform as a patient seeking care, but to maintain contact with the platform to develop and reach preventive health goals.

# Digital Health Platform Mapping – ASIA PACIFIC

ILLUSTRATIVE ONLY



The benefit of Value Proposition Integration by integrating Wellness Apps into the Doctor Anywhere platform is to develop a Preventive Health offering that encourages patients to interact with the platform on a continuous basis and develop a long-term relationship, in contrast to the current offering that focuses on only the time that the patient needs care.

Platforms

# WHAT'S NEXT?

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## Platform Building & Scaling Hurdles

**Economic Checks and Balances.** In late March 2022, the US Securities and Exchange Commission proposed **sweeping reforms of SPACs**, curbing free-wheeling projections and bringing blank-cheque deals more in line with traditional listings. Investors have been waiting on regulatory clarity regarding SPACs.

**CHANGE**  
HEALTHCARE



UnitedHealth Group®

In addition, the US Department of Justice is suing to block the UnitedHealth's acquisition of Change Health, arguing that allowing the largest health insurer in the US to acquire a health claims management company with information on competitor pricing data would give UnitedHealth **an unfair competitive advantage**. This case could impact platform deals where market share size is deemed uncompetitive by the US Department of Justice.

**In-transparent Reimbursement Schemes.** Progress has been made in several European countries (Germany, France, Belgium) to define the reimbursement scheme for Digital Health solutions, and recently legislation has been introduced in the US with the same purpose. As diverse point-solutions are brought together into Platforms, the **rules for reimbursement** must continue to evolve in order to maintain transparency for platform solution.




**Geopolitical.** The pace of overall M&A activity has slowed as investors and executives assess tougher regulation on both sides of the Atlantic, soaring inflation and Russia's invasion of Ukraine. The Biden administration has increased the scrutiny of deals ranging from tech to healthcare as it seeks to combat anti-competitive practices.

**Inertia.** Although national reimbursement schemes for Digital Health solutions have proven popular with Digital Health ventures, the headwind has been slow adoption by patients and their doctors. Will Platforms which focus on a more seamless end-to-end value proposition to the patient prove more compelling?

## Platform Building Accelerators



Digital Health innovation 1.0 has, over the first 10 years of its life, proven that digital is and will rewrite the healthcare value chain. Digital Health has reached an inflection point where new business models (ie. Digital Health Platforms), are necessary to render the plethora of innovation more relevant to patients, HCPs, health systems and society.

Beyond Digital Health Venture Catalysts (see our definition earlier in the report), what other ecosystem stakeholders could accelerate the building and scaling of Digital Health Platforms?

|   |                    |  |
|---|--------------------|--|
|    | <h3>Investors</h3> | <p><b>Private Equity's</b> most common complaint is not being able to find deals in Digital Health large enough to meet their significant ticket size driven by the fund size. There is a <b>golden opportunity to create the right deal size and grow unit economics thru backing platform builders or building Platforms</b> versus investing in proven unicorns.</p> <p><b>SPACs</b> were a 2021 fad for over-valuing Digital Health ventures and listing them only to see them crash back to reality (see Babylon: BBLN), which attracted the attention of the US SEC and other financial regulators across the globe. With their sizeable funding armoury, <b>SPACs could return to favour in Digital Health if they became vehicles to fuse strategically selected Digital Health ventures into a platform</b> to bring to life new business models that leverage the full spectrum of digitally-enabled healthcare tools.</p> |
|   | <h3>Biopharma</h3> | <p>Rx drug costs represent between 11% (EU) to 18% (USA) of the cost of running a mature market's health system, and Biopharma revenues will continue to erode as reimbursement policies are challenged by the rising costs of healthcare and fast changing expectations of populations. To date, Biopharma has been largely experimenting with Digital Health, with the majority of players barely engaging with Digital Health whilst clinging onto their legacy business model, hoping that they will succeed in building an optimal drug portfolio. <b>Strategic Platform integration would allow Biopharma to increase their networks of HCPs and patients while providing critical data necessary to demonstrate data-driven patient outcome improvement.</b></p>  |
|  | <h3>Insurers</h3>  | <p>Healthcare costs are only going up, and legacy health systems are both inefficient and proving extremely challenging to transform. Similar to Biopharma, the majority of Insurers are still testing venture partnerships, with few players tangibly engaging with Digital Health. Insurers are being edged out of the healthcare ecosystem by low-friction, consumerized healthcare Platforms, with full end-to-end visibility and accountability linked to demonstrated data-driven patient outcome improvement.</p> <p><b>Insurers must tap into their vast data on healthcare costs and large customer base to join forces with a developing platform and enable a business case for long-term platform sustainability.</b></p>  |

## PLATFORM HURDLES

# Platform Building Accelerators - continued

|   |                         |  |
|---|-------------------------|--|
|  | <h2>Tech</h2>           | <p>Although large Tech companies seem, by their pedigree, like the perfect fit for building and scaling technology Platforms, many have become juggernauts which lack the nerve and business case to take on the risk and responsibility of the complex, highly-regulated healthcare industry. Numerous high profile initiatives have been shelved such as Haven, the healthcare joint venture between Berkshire Hathaway, Amazon, and JPMorgan Chase.</p> <p>Many have engaged with Digital Health Platforms (e.g. Amazon partnering with Teladoc <a href="#">[link]</a>), so <b>will they wait to acquire proven Digital Health Platforms? Or take the lead and step in to accelerate their creation by tapping into the vast scales of their customer base and tech superiority?</b></p>  |
|  | <h2>Health Systems</h2> | <p>Legacy health systems are inefficient and proving extremely challenging to transform. Healthcare costs are rising, and population expectations have been heightened by the pandemic.</p> <p>Rather than attempt to transform themselves, Health Systems must rewrite the path of healthcare delivery, particularly in primary care. Health Systems have established fragments of independent Digital Health point solutions that can be pieced together to form a coherent Platform. <b>Health Systems must leverage their size, reputation and advantage to sponsor the need for Digital Health Platforms and lobby policymakers to design reimbursement mechanisms that encourage platform building and adoption.</b></p> <p>If they do not act as the chief enabler, legacy Health Systems will be replaced by coherent and effective digital Platforms developed by ventures.</p> |

# What's Next For Digital Health Platforms?

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The era of Digital Health Platforms, or Digital Health 2.0, has already begun and predates the pandemic. However, events over the past two years will serve as an accelerator for Digital Health and more specifically Digital Health Platforms.

Despite the slowdown, private equity groups enjoyed their strongest ever start to the year as they deployed vast cash piles accumulated during the pandemic. Buyout groups backed US\$288B worth of deals, a 17% rise compared with the first three months of 2021. These PE firms need deals sizeable enough, so Platform deals will be an attractive investment strategy for them.

Greater regulatory scrutiny in the US and Europe will likely drive the M&A industry to seek deals upstream, which have rapid scaling potential, such Digital Health Platform deals. Subject to the geopolitical environment stabilising, this should see M&A activity return strongly as investors seek yield.

The Digital Health platform building momentum will be spurred on by the increasing number of Digital Health ventures growing in maturity.

The pandemic has demonstrated to health systems across the globe that technology is critical to achieve greater efficiency and productivity. Health systems will drive the creation and scaling of Digital Health Platforms as they seek primary care end-to-end solutions. This will likely favour Digital Health ventures / Platforms, as these will respond better to patient needs, as opposed to incumbents, which have vested interests in a status quo.

# DEEP DIVES

## REGIONAL M&A ACTIVITY

**USA**

**ASIA PACIFIC**

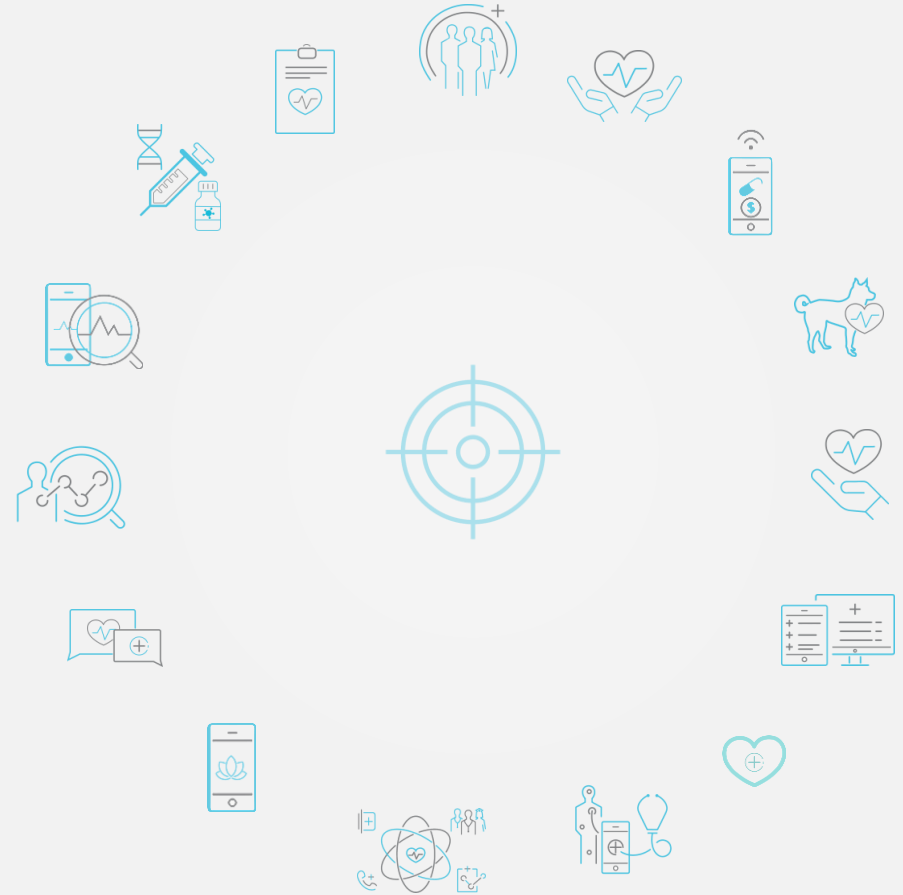
**EUROPE**

DEEP DIVE:

# NORTH AMERICA

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Analysis of the Digital Health M&A activity in North America

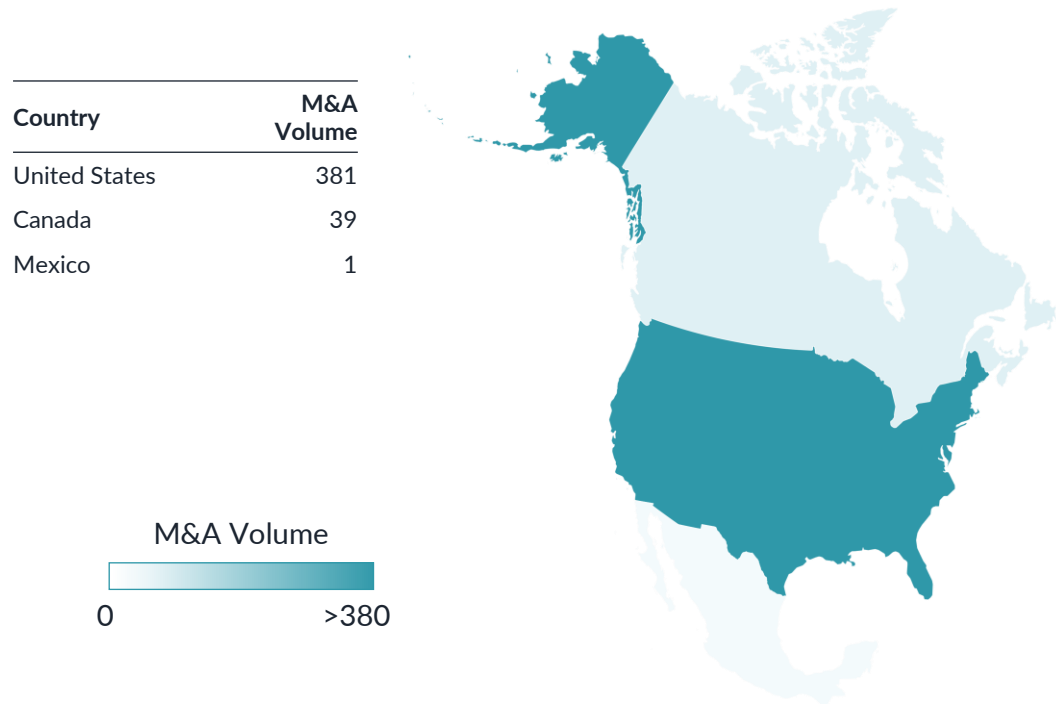


## NORTH AMERICA: DEEP DIVE

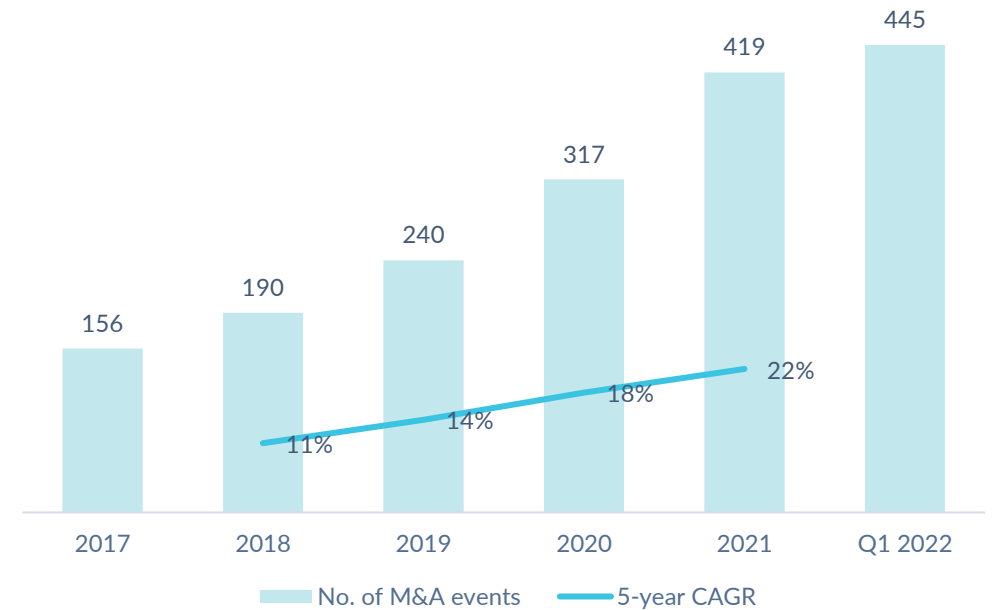
# North America: Ecosystem Development

M&A in Digital Health is accelerating in North America, with a 5-year CAGR of 22% to reach 102 M&A transactions in 2021. 90% of the acquisitions targeted ventures in the United States.

### Volume of Digital Health Acquisitions in North America (as per Q1 2022)



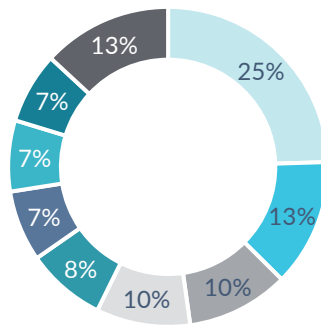
### Cumulative No. of M&A events in North America



# North American M&A Landscape

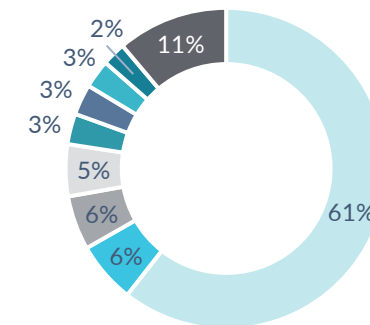
From 2016 to 2021, 295 ventures have been acquired. The Digital Health cluster that has seen the highest level of acquisitions is in Health Management Systems, with 21% of the ventures, while Remote Monitoring solutions has taken second place with more than 10%. Nearly half of the ventures acquired (45%) offered solutions that were agnostic of disease area.

M&A Volume in North America  
by HealthTech Cluster



- Health Management Solutions
- Patient Solutions
- Wellness
- Research
- Others
- Telemedicine
- Remote Monitoring
- Health Insurtech
- Medical Diagnostics

M&A Volume in North America  
by Therapeutic Area



- Disease Agnostic
- Preventive Health
- Cardiovascular Diseases
- Diabetes
- Other
- Mental Health
- Oncology
- Womens Health
- Neurology

DEEP DIVE:

# ASIA-PACIFIC

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Analysis of the Digital Health M&A activity in Asia-Pacific



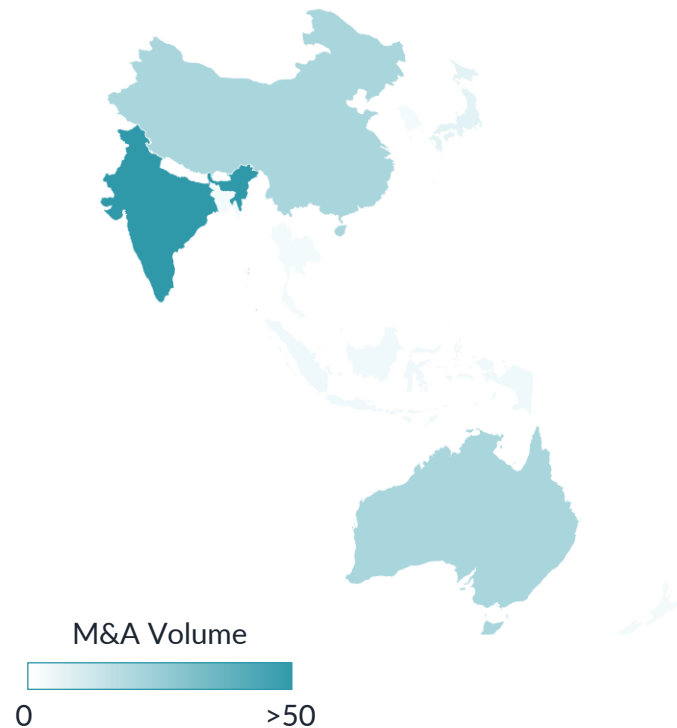
APAC: DEEP DIVE

# Asia-Pacific: Ecosystem Development

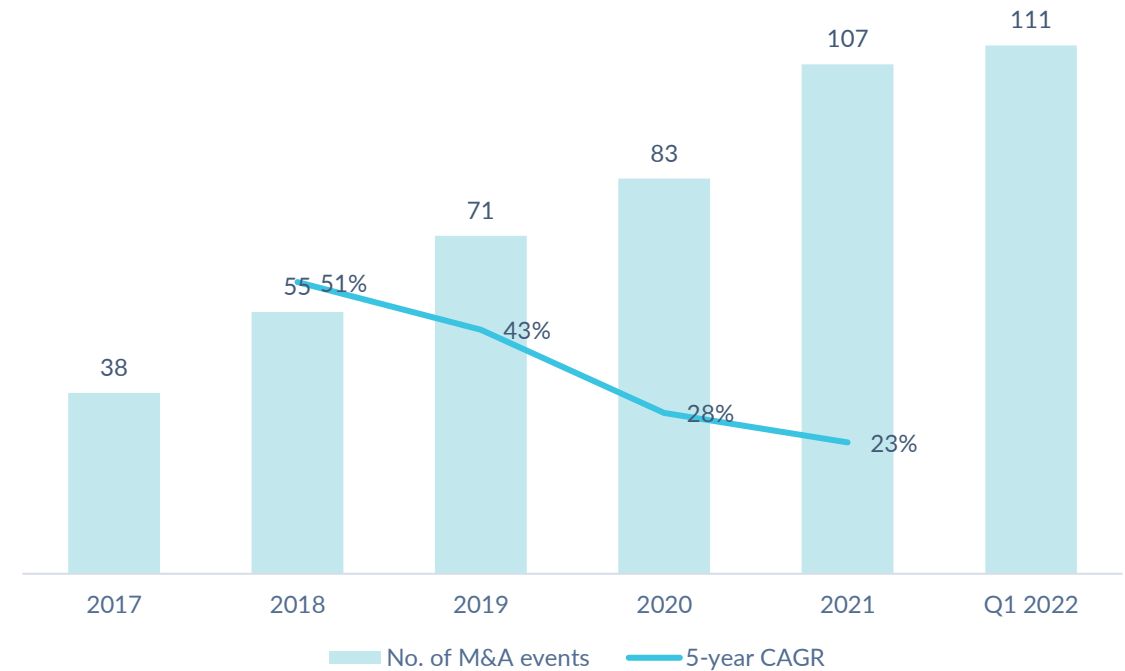
M&A in Asia-Pacific surged in 2021 after slowing down at the start of the pandemic in 2020. With a 5-year CAGR of 23%, the M&A volume in 2021 reached 24 events for the year. India has recorded the highest number of acquisitions of Digital Health ventures.

### Volume of Digital Health Acquisitions in Asia-Pacific (as per Q1 2022)

| Country     | M&A Volume |
|-------------|------------|
| India       | 51         |
| China       | 20         |
| Australia   | 20         |
| Singapore   | 8          |
| Japan       | 5          |
| Indonesia   | 2          |
| South Korea | 1          |
| Thailand    | 1          |
| Bangladesh  | 1          |
| New Zealand | 1          |
| Vietnam     | 1          |
| Malaysia    | 0          |



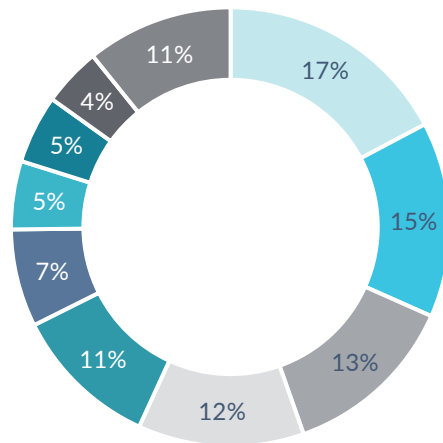
### Cumulative No. of M&A events in Asia-Pacific



# Asia-Pacific M&A Landscape

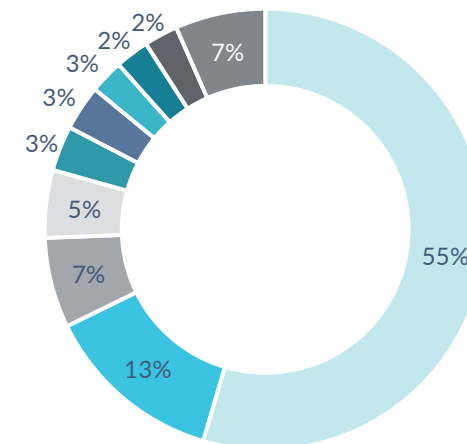
In Asia-Pacific, most venture acquisitions in Digital Health (55%) have been targeted at ventures that are Disease Agnostic, while 13% and 7% of the acquisitions targeted Preventive and Women's Health, respectively. 45% of the acquired ventures provide solutions in either Health Management Solutions, Wellness, or Telemedicine.

M&A Volume in APAC  
by HealthTech Cluster



- Health Management Solutions
- Telemedicine
- Health Services Search
- Patient Solutions
- Medical Diagnostics
- Wellness
- Online Marketplace
- Medical Education
- Remote Monitoring
- Others

M&A Volume in APAC  
by Therapeutic Area



- Disease Agnostic
- Womens Health
- Diabetes
- Mental Health
- Geriatrics
- Preventive Health
- Oncology
- Pediatrics
- Cardiovascular Diseases
- Other TAs

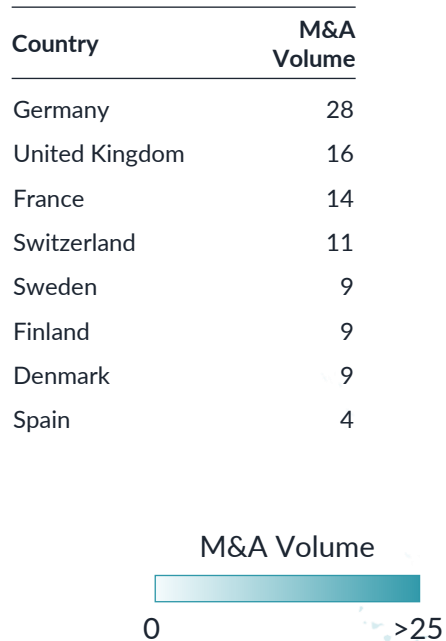


## EUROPE: DEEP DIVE

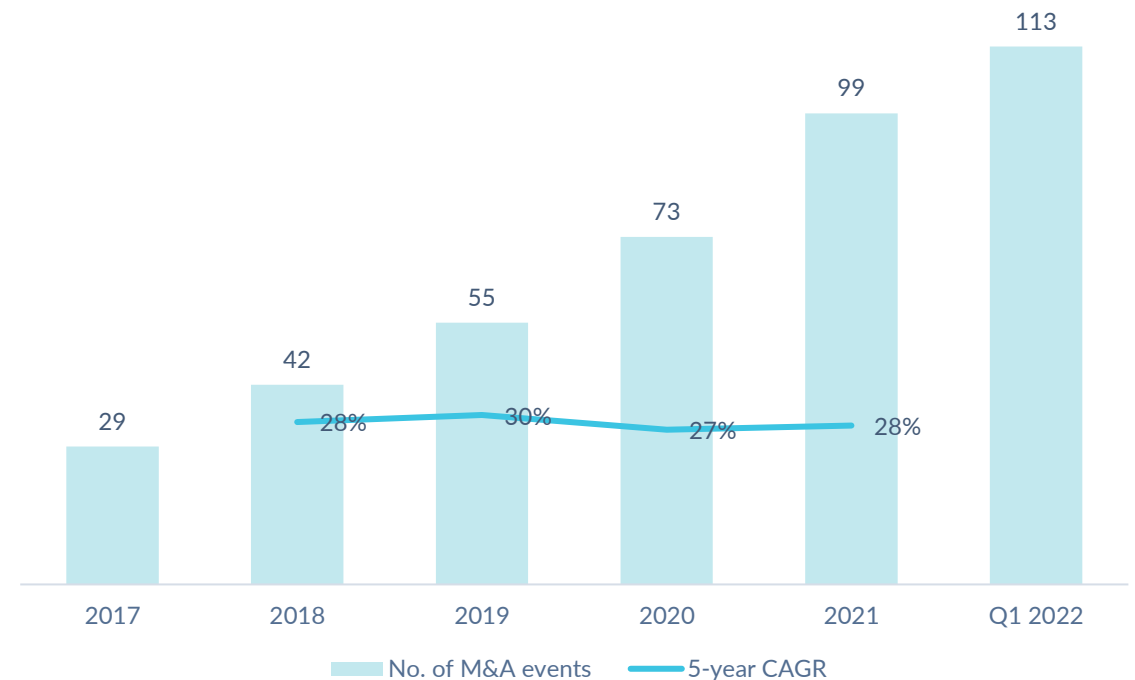
# Europe: Ecosystem Development

M&A in Digital Health has increased in Europe at a 5-year CAGR of 28% to reach a cumulative 99 M&A transactions at the end of 2021. Germany has the highest number of ventures acquired, although it is the 3<sup>rd</sup> largest ecosystem with respect to venture volume in Europe.

Volume of Digital Health Acquisitions in European Key Markets  
(as per Q1 2022)



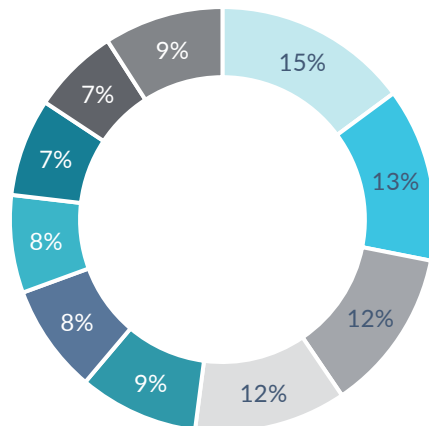
Cumulative No. of M&A events in Europe



## Europe: M&A Landscape

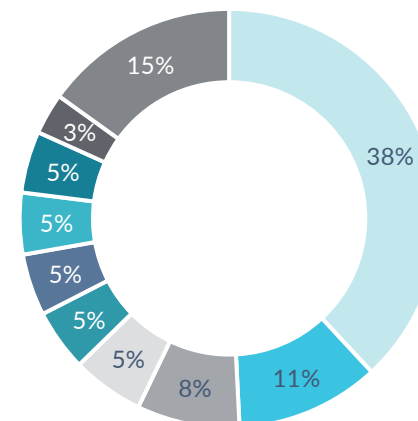
In Europe, 38% of venture acquisitions in Digital Health have been targeted at ventures that are agnostic of therapeutic area, while 11% and 8% of the acquisitions targeted Oncology and Mental Health, respectively. 50% of the acquired ventures provide solutions in either Patient Solutions, Health Management Solutions, Telemedicine, or Medical Diagnostics.

M&A Volume in Europe  
by HealthTech Cluster



- Patient Solutions
- Telemedicine
- Wellness
- Remote Monitoring
- Research
- Health Management Solutions
- Medical Diagnostics
- Health Services Search
- Online Marketplace
- Others

M&A Volume in Europe  
by Therapeutic Area



- Disease Agnostic
- Mental Health
- Preventive Health
- Neurology
- Dermatology
- Oncology
- Cardiovascular Diseases
- Diabetes
- Geriatrics
- Others

# KEY INFORMATION

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## KEY INFORMATION

# Key Information

## SCOPE OF REPORT

This report covers Digital Health ventures with incorporation date after 2002. The data is valid as at 29.03.2022.

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

## DATA SOURCING AND TRACKING

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

The information is:

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

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

## KEY TERMS AND DEFINITIONS

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

## IMPORTANT INFORMATION

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

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

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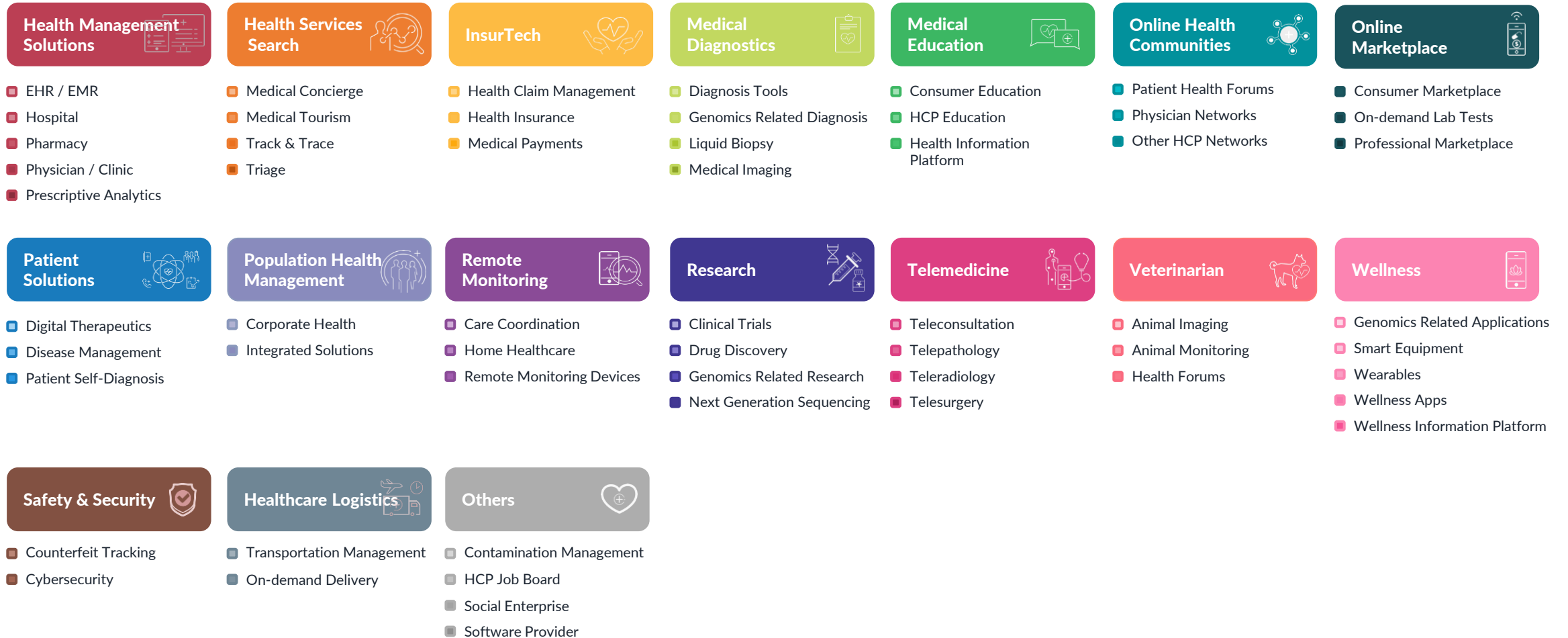
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## RESEARCH INQUIRIES

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

## KEY INFORMATION

# Our Digital Health Taxonomy



## KEY INFORMATION

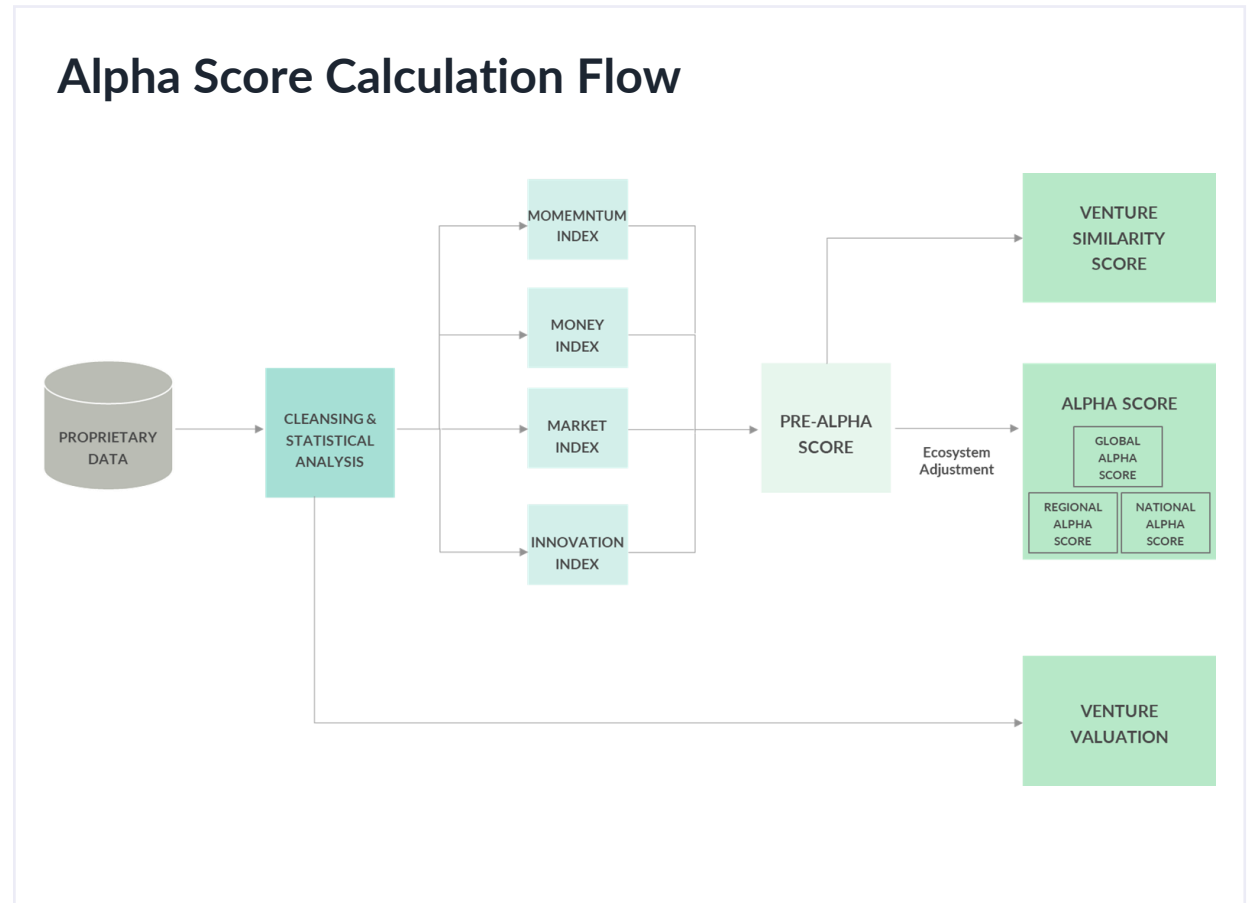
# Signals Relevant to Decision-Making

Galen Growth's **Alpha Score** is a **360° Venture Maturity assessment** that aggregates a set of composite indices, which are calculated for each venture based on our proprietary algorithms that leverage and analyse over 160 million data points.

There are four distinct and independent Alpha Indices:

- **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
- **Innovation Index:** Assesses the relevance of an HealthTech venture to the ecosystem

The **Alpha Score (also known as Venture Maturity Score)** can be calculated for a venture relative to the Global venture ecosystem or to its National or Regional ecosystem.





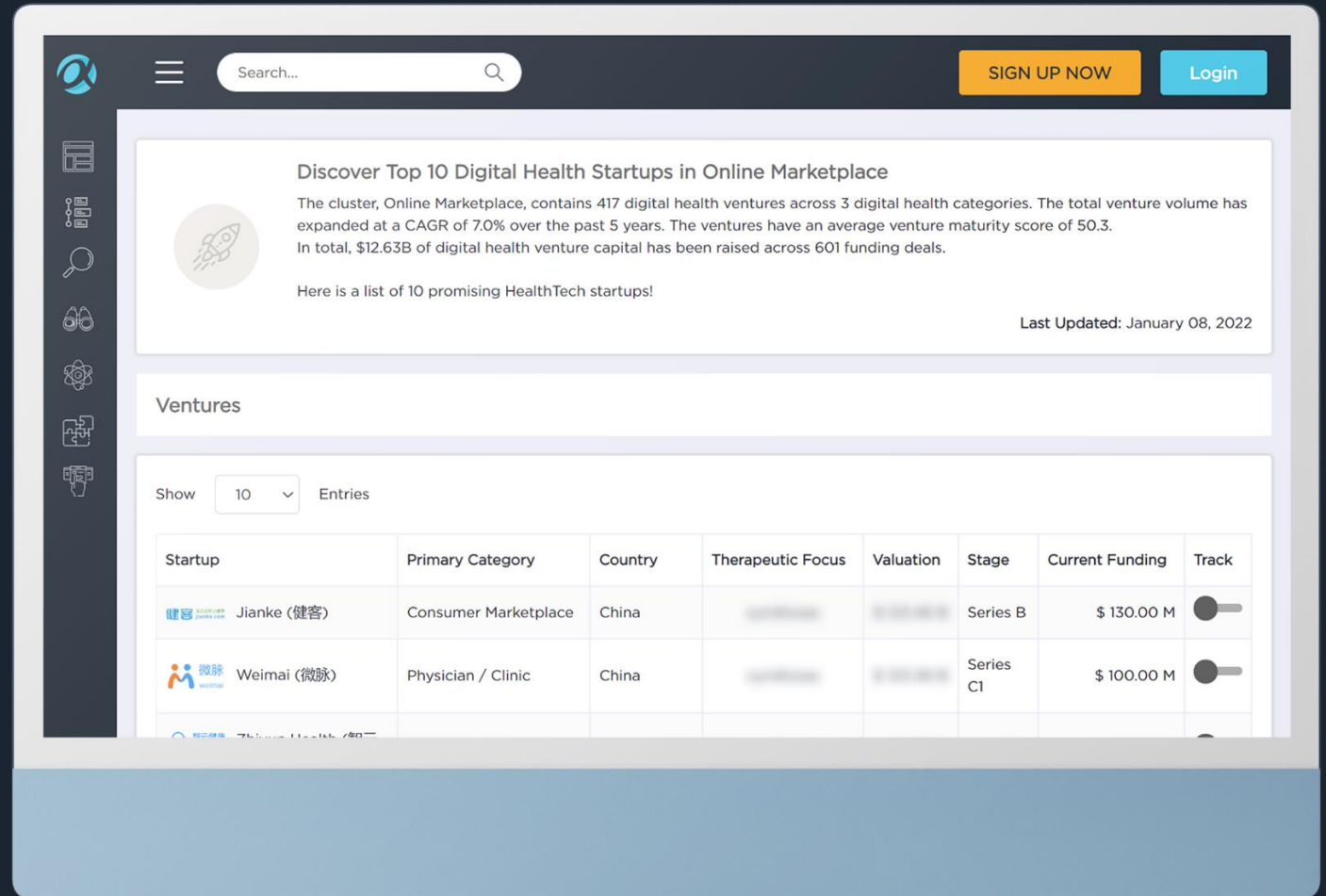
# Explore the key themes driving the European ecosystem

Research

Telemedicine

Oncology

Neurology

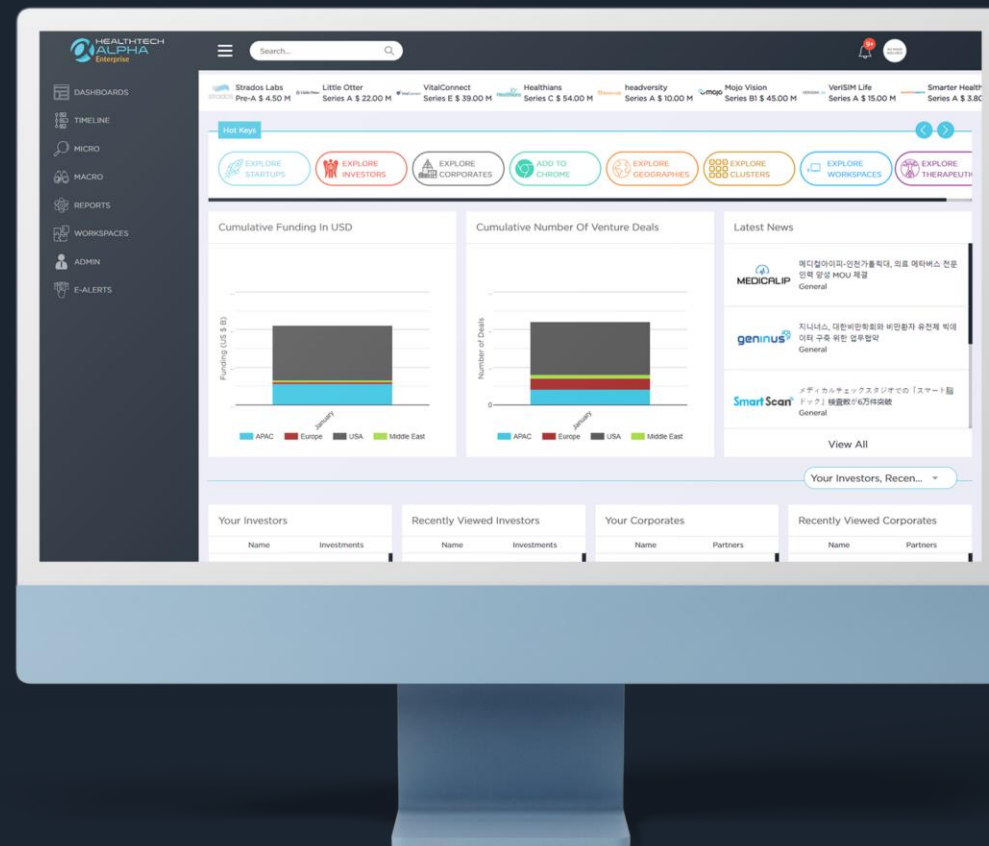




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# Let's Discuss How We Can Deliver Your Strategic Healthcare Goals

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