

DIGITAL HEALTH ECOSYSTEM

# Global Q3

2022 3rd Quarter Report



# Foreword

The Digital Health sector grew significantly during the past decade, largely in being mobilized to address unmet health-system and care needs. From \$2 billion invested in 2011, that figure morphed 20-fold to \$44 billion in 2021. In the shadow of the COVID pandemic, unprecedented investment poured into Digital Health within a two-year window, accelerating the adoption of AI, remote patient monitoring, telehealth, digital therapeutics, wearables, VR and more.

Suddenly cut off from “in-the-room” contact, digital was the connective tissue between physicians with their ailing patients and pharma brands with consumers and payers. Once complex and costly to diagnose illness, some ailments were transformed through engineering marvels found in many smartphones, wearables and watches, making consumers allies in their medical care. At that point, enthusiasm – the rush to enter the digital health category – may have triumphed over strategy and long-term business planning. That was destined to change.

Investor mindsets have matured in the past year, and lessons learned were applied. Obstacles – from regulatory hurdles to payer pushback – made incubators,

accelerators and private equity groups much more selective in their investment and partnership decisions. As the adage goes, “*hindsight is 20/20*.” Forget the ups and downs in sector funding. “Follow the money” to see how strategies are shifting, and patient needs are becoming an investment focus. Savvy investors, from private equity – large and small, and corporate partners, now have specific life-cycle targets, regions and patient conditions where they direct funds.

This breaking “Global State of Digital Health Report” does far more than examine monies invested in the broad digital health category – it offers a guide for decision-makers on how multiple data points translate into market shifts and how to pinpoint trends that provide predictive insight and best practices in investment strategies, across regions, Digital Health categories, therapeutic areas and technologies. With this Report, data are shared not as “one-off” ideas but as pieces offering a complete picture of a dynamic and evolving digital innovation sector that offers the transformative power to find effective detours around health ecosystem fragmentation.

Only one global partner could mine and assemble so much actionable category insight across so many geographies – Galen Growth, led by Julien de Salaberry, CEO and Co-Founder. As the worldwide leader in Digital Health private market intel and insights serving industry and investors, Galen Growth has avoided hype and biases to create this first-of-its-kind, rigorous analysis enabling any investor or potential business partner to weigh subjective decisions alongside objective facts.

While other reports highlight “media grabbers” and numbers disconnected from insight into where the money is going –from the investment stage to disease states–Galen Growth connected critical analytic dots. Thanks to their depth and diligence, this report and the ones that follow will guide C-Suite leaders, business development and therapeutic area heads, private equity funds and financial analysts to make savvy decisions that drive return-on-investment–whether the goals be financial or patient care.

The FINN Partners effort, led by Ritesh Patel, Senior Partner, and Global Digital Health Leader, is honored to collaborate with Galen Growth to create this series of

global reports. Clarity of thought, decision and investment, accelerated by composite knowledge, will secure a necessary ally – patients. People with pressing health urgencies can have hope that innovators and the fuel to success – investors –will offer solutions and outcomes.

Digital Health is the bridge that connects healers and those seeking solutions that are accessible and demonstrated to deliver. Investment decisions differentiate entrepreneurial exuberance from clinical excellence.

Use this report wisely to make decisions that advance people’s care and improve lives.

**Gil Bashe**

Chair, Global Health and Purpose  
FINN Partners

**Julien de Salaberry**

CEO and Co-Founder  
Galen Growth

# Key Insights

- In the first 9 months of 2022, venture funding across the globe declined by 35% YOY, ushering in a return to normal but slashing valuations for thousands of ventures.
- Early-stage venture funding remains strong and promises a healthy pipeline of innovation, while the IPO market has stagnated, with a total of 6 IPOs and 4 SPACs globally. M&A activity has maintained strength, with a dip of only 7% YOY.
- While North American and Asian funding has been dominating global headlines, the Middle East and South America have raised record-breaking amounts of venture funding. In contrast, Europe is maintaining momentum throughout 2022 and has not experienced the quarter-on-quarter decrease in venture funding that is impacting North America.
- With only 27% of ventures having raised venture capital in the last 18 months, the remainder of the ecosystem could be facing a bumpy ride, pushing their CxOs to cut costs &/or focus on profitability before growth &/or rethink their business model.
- Our analysis of 12,000+ Digital Health ventures globally, revealed that just 17% of these ventures have significant Clinical Strength. The Medical Diagnostics cluster takes the top spot for Clinical Strength, with 37% of ventures having achieved an Evidence Signal > 40.
- Even though both therapeutic areas saw funding shrink by more than 30%, oncology maintained the position of the most invested therapeutic areas in Q1 – Q3 2022, while mental health held the second position. Among the top 5 most invested therapeutic areas, Gastroenterology was the only one that saw an increase of funding (2%) from 2021 to 2022.
- Digital Health solutions are building evidence of clinical effectiveness, and payors are beginning to understand the value that the solutions can bring to patients in both treating and preventing illness.
- The path forward into 2023 will be more challenging, but this new landscape will strengthen the pipeline of ventures, driving innovation further and bringing the Digital Health promise nearer.

# Scope

For this report, experts from the FINN Global Digital Health Group worked side-by-side with Galen Growth's data & research professionals to:

- Chart the complex & fragmented digital health landscape
- Uncover emerging market trends
- Identify areas of growth & innovation
- Look beyond funding to explore what's next in this fast-paced sector

By recapping the year-to-date in digital health, this report lays the groundwork for future analyses and highlights trends to expect in 2023. It also addresses themes that hold great potential to benefit from digital applications.

Since 2017, Galen Growth's research & analysis has set the standard for unbiased digital health reporting, with strict analytical criteria applied to ensure consistency and accuracy. Corporates, investors and ventures rely on Galen Growth's research to help make clear-sighted decisions based on industry-best data.

## Get the Data Behind the Report

This report is powered by data from HealthTech Alpha,

the world's leading platform for Digital Health private market data & intel.

Scan the QR code to access the data behind this report.





# Data & Methodology

## 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 200M data points and has a coverage exceeding 12,000 digital health ventures across the globe. For more information visit [healthtechalpha.com](https://healthtechalpha.com).

## Data Scope

- The analysis considers five key regions of Digital Health: Asia Pacific, the Middle East, western Europe, North America, and South America (key markets)
- 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 46
  - 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 corporations (e.g. Microsoft) are excluded

## Methodology

Analytics presented in this report are Galen Growth's proprietary algorithms and are explained on page 47.

# Contents

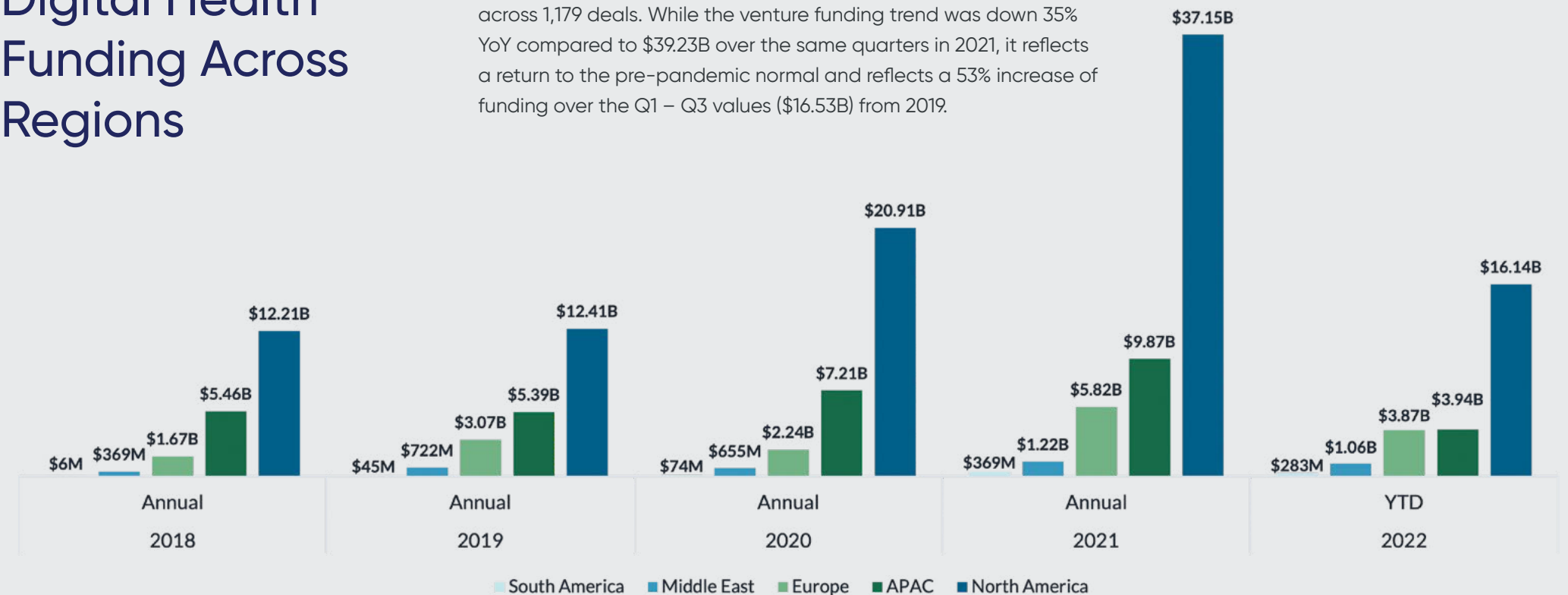
Ecosystem Insights	12
Investment Insights	18
Cluster Focus	24
Therapeutic Focus	30
Noteworthy	34
What's Next?	43
Key Information	44
About Galen Growth	48
About FINN Partners	49
About our Partnership	50

# Digital Health Headlines

In Q1-Q3 2022  
**\$25.34B** ▼ -35% YoY  
of total funding was deployed across  
**1179 Deals** ▼ -24% YoY  
Globally

## Global Digital Health Funding Across Regions

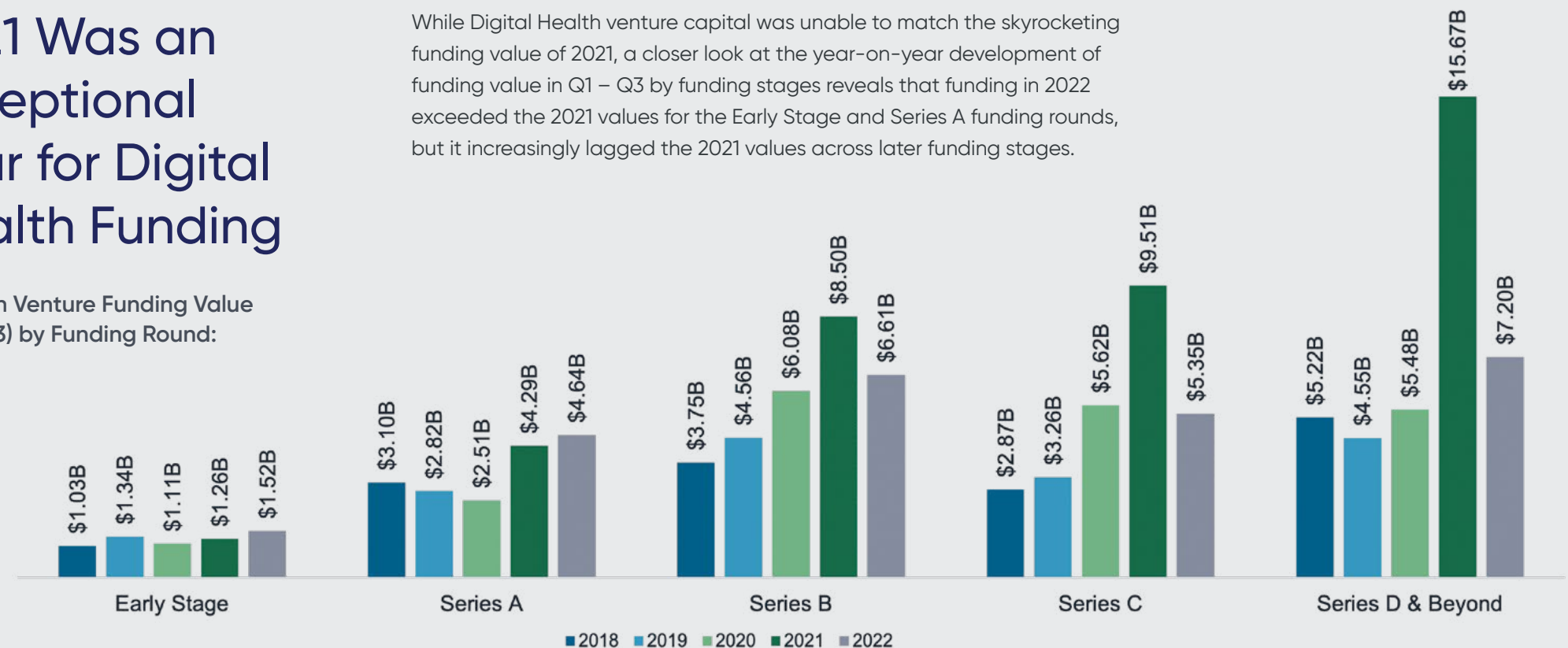
In the first 9 months of 2022, cumulative Digital Health venture funding across North America, Europe, the Middle East and Asia Pacific decelerated, closing at \$25.34B (excl. M&A, IPO and SPAC) across 1,179 deals. While the venture funding trend was down 35% YoY compared to \$39.23B over the same quarters in 2021, it reflects a return to the pre-pandemic normal and reflects a 53% increase of funding over the Q1 – Q3 values (\$16.53B) from 2019.



## 2021 Was an Exceptional Year for Digital Health Funding

While Digital Health venture capital was unable to match the skyrocketing funding value of 2021, a closer look at the year-on-year development of funding value in Q1 – Q3 by funding stages reveals that funding in 2022 exceeded the 2021 values for the Early Stage and Series A funding rounds, but it increasingly lagged the 2021 values across later funding stages.

9-Month Venture Funding Value (Q1 – Q3) by Funding Round:



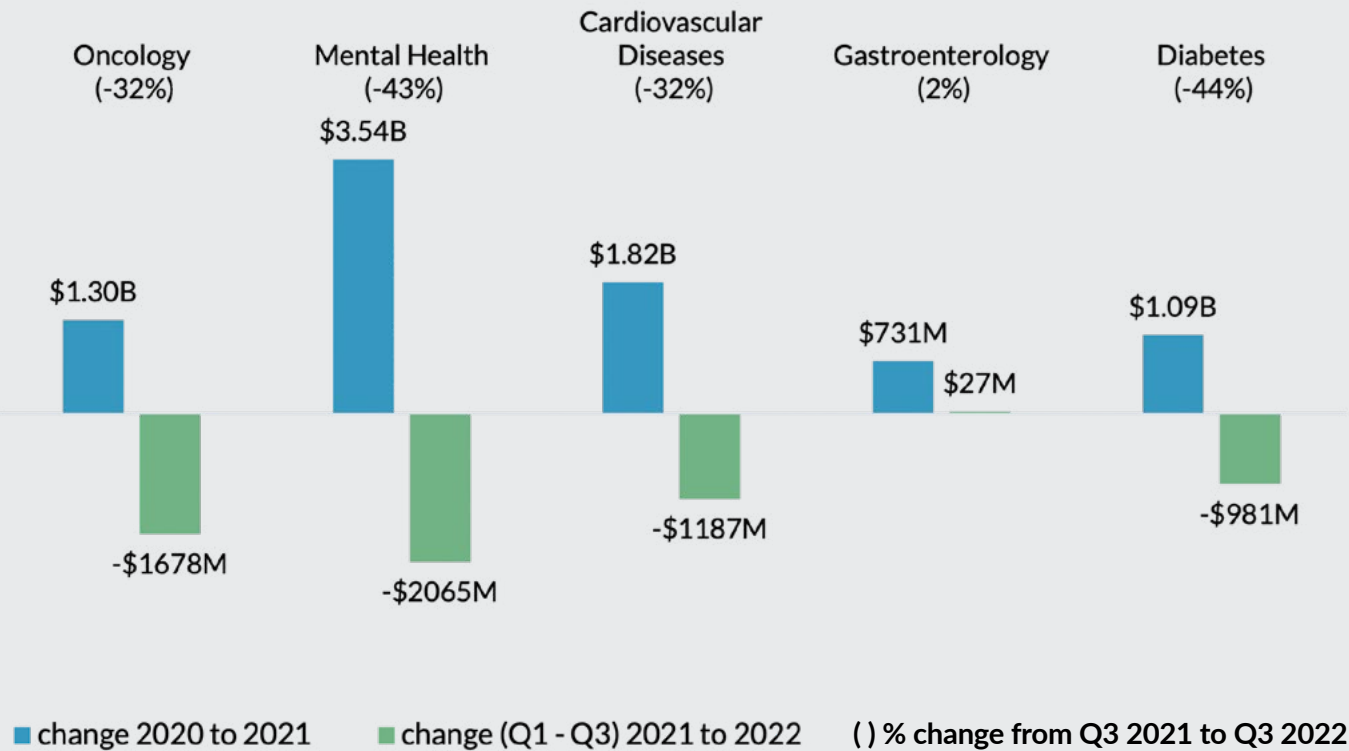
DIGITAL HEALTH HEADLINES

# Winners and Losers in 2022 YTD Digital Health Venture Funding

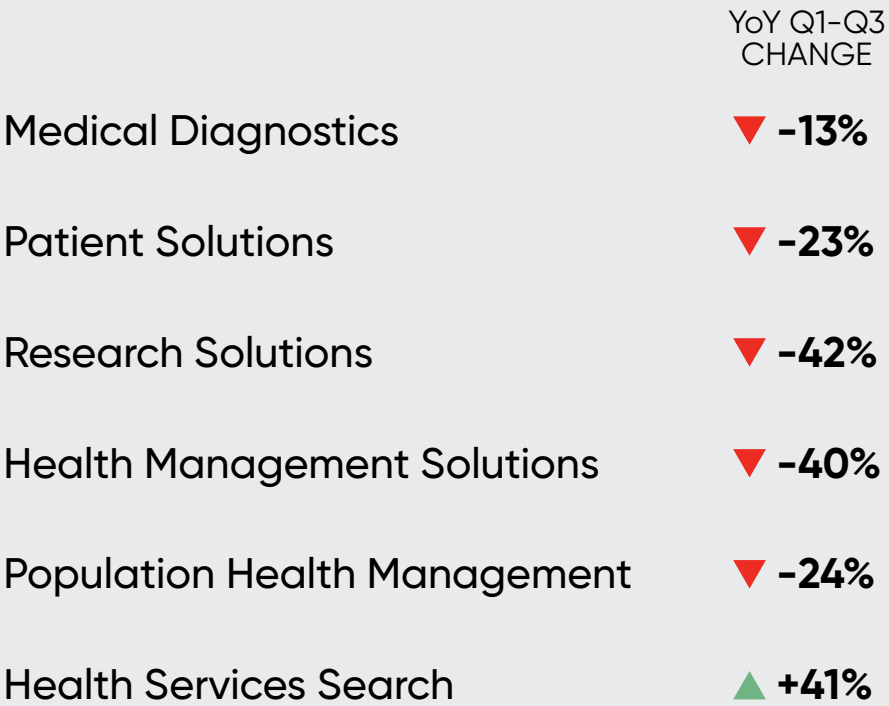
2022 has experienced big swings across the 2022 highest-funded therapeutic areas. Mental Health solutions, which experienced acceleration in 2020 and 2021, lost momentum in Q1 – Q3 2022 with a 43% downturn in venture funding in the first 9 months of 2022.

Across the board, the top 5 highest-funded clusters all decreased in funding value, with Medical Diagnostics and Patient Solutions seeing the biggest losses. Health Services Search and Medical Education were the only clusters that saw a YOY uptick in funding.

Change in Venture Funding by Therapeutic Area



Change in Venture Funding by HealthTech Cluster



# Ecosystem Insights



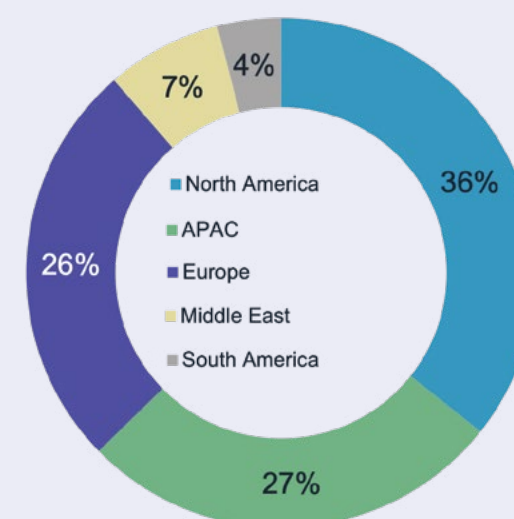
"2022 is shaping up to be a very long decade. The first quarter of 2022 was an extension of 2021—exuberant, one of the strongest ever in dollars and deals. The second quarter was behind every quarter in 2021. In the third quarter, deals continued to decrease but even more dramatically, dollars declined as bridges and insider rounds became widespread, typically at smaller deal sizes than outside-led rounds. However, founders are better off remembering that 2021 was a blip and one that most impacted the United States—hence why Europe has been more resilient: the second quarter was ahead of every quarter in 2020. The market needs time for companies to catch up to 2021 valuations and lead into what I expect to be a very interesting 2024."

**Marta Gaia Zanchi, Ph.D.**  
Founder and Managing Director, Nina Capital

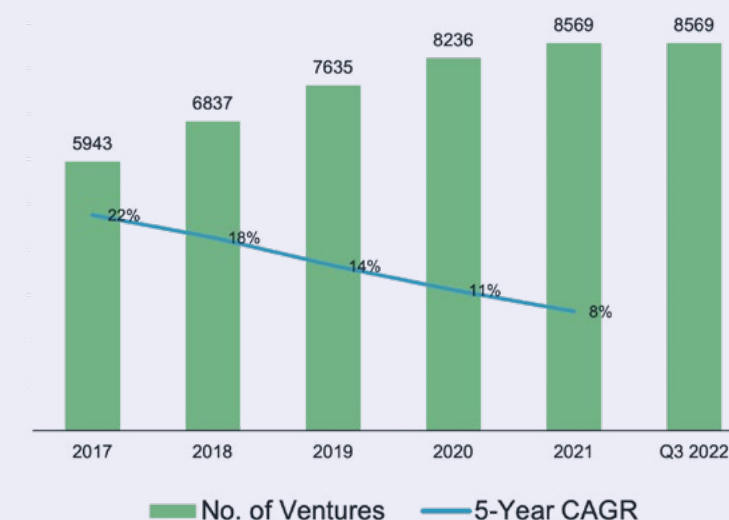
## Global Ecosystem Development

There are more than 8,500 private, active ventures across the globe, and over the past 5 years, the ecosystem has been expanding at a CAGR of 8%. North America is the largest regional ecosystem and is home to 35% of ventures in Digital Health.

Proportion of Ventures by Global Region

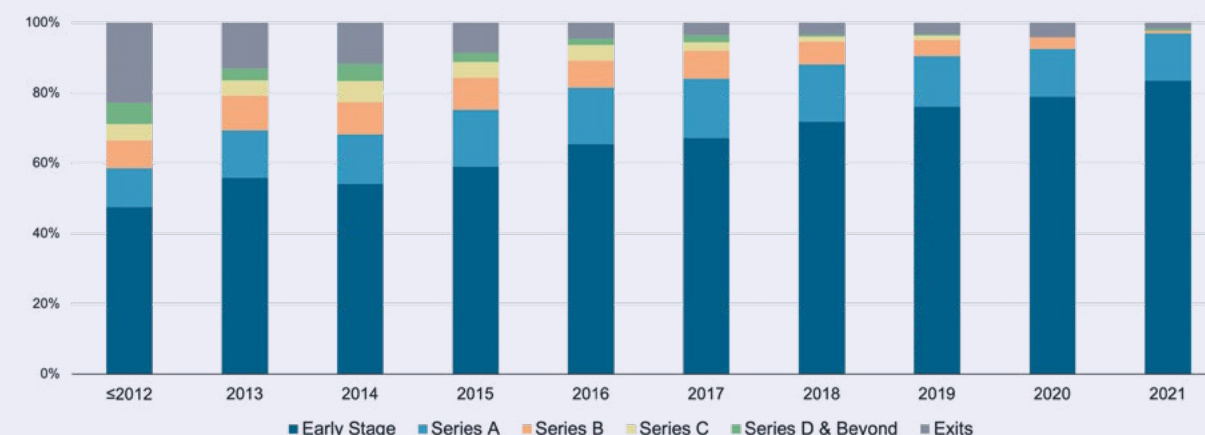


Cumulative Volume of Ventures, 2017–Q3 2022



## Venture Distribution by Stage

15% of ventures incorporated in 2021 have already closed their second round of funding, indicating that ventures are spending less time in the Seed stage and are raising funds earlier. The shift in funding velocity is driven by investors feeling bullish to invest and was driven by the huge growth of Digital Health solutions during the pandemic. Funding trends have shifted in 2022, and therefore ventures can expect to need more time to raise Series C and beyond funding.



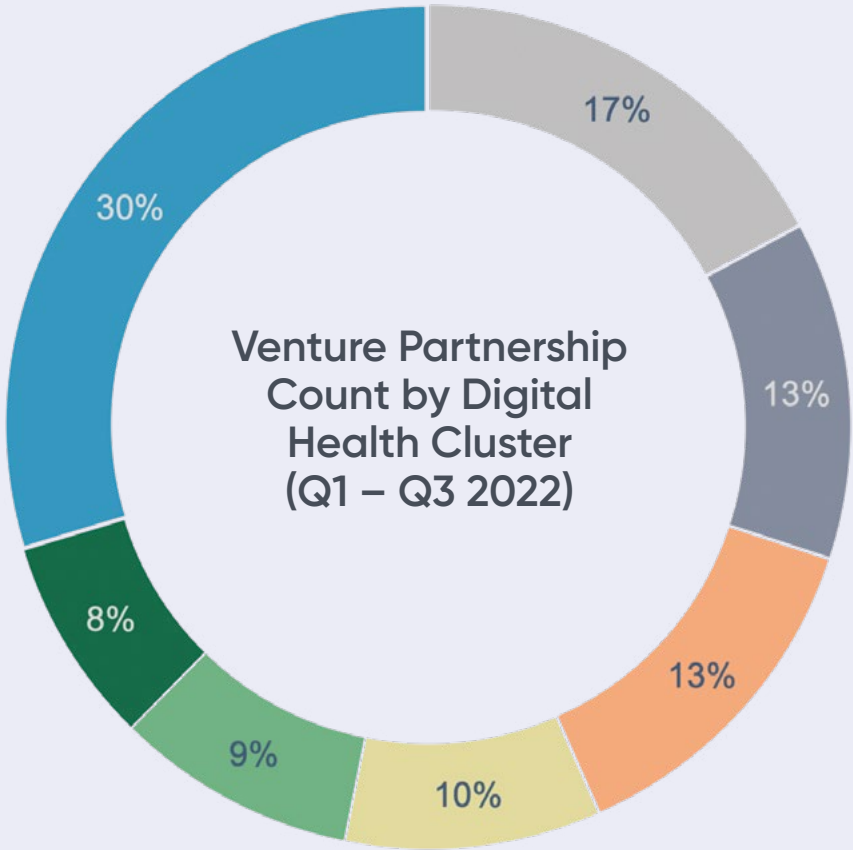


ECOSYSTEM INSIGHTS

# 2022 New Partnerships

- Globally, Digital Health ventures announced a total of 2,246 partnerships in the first 9 months of 2022.
- North America far surpassed the other regions with a total of 1,475 partnerships.
- By Digital Health cluster, most partnerships were disclosed across Health Management Solutions, Patient Solutions and Medical Diagnostics.

Global Region	# of Partnerships
North America	1475
Asia Pacific	520
Europe	207
Middle East	34
South America	10



- Health Management Solutions

■ Patient Solutions

■ Medical Diagnostics
- Telemedicine

■ Population Health Management

■ Research Solutions
- Other

ECOSYSTEM INSIGHTS

# Clinical Strengths

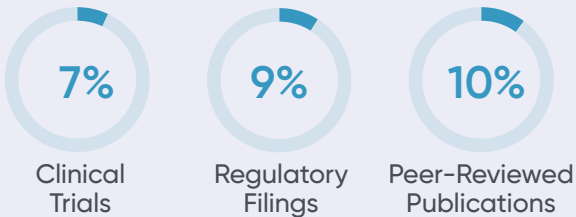
- Galen Growth has developed the **Evidence Signal** in HealthTech Alpha to evaluate the Clinical Strength of a venture by their cumulative **regulatory filings, registered clinical trials and peer-reviewed journal publications**.
- Globally, **17% of ventures** have an Evidence Signal > 40, indicating that they have either a registered Clinical Trial, a Regulatory Filing or multiple peer-reviewed publications.
- Clinical Strength is expected from ventures that focus on medical outcomes, such as the top clusters: **Medical Diagnostics and Remote Devices**.

Global Region	% Ventures with Evidence Signal > 40
Asia Pacific	13%
Europe	19%
Middle East	20%
North America	19%

Share of ventures with Evidence Signal > 40 for the highest-funded Therapeutic Areas



Share of global Digital Health ventures with evidence of Clinical Strength



Histogram of Clinical Strength for Private Ventures





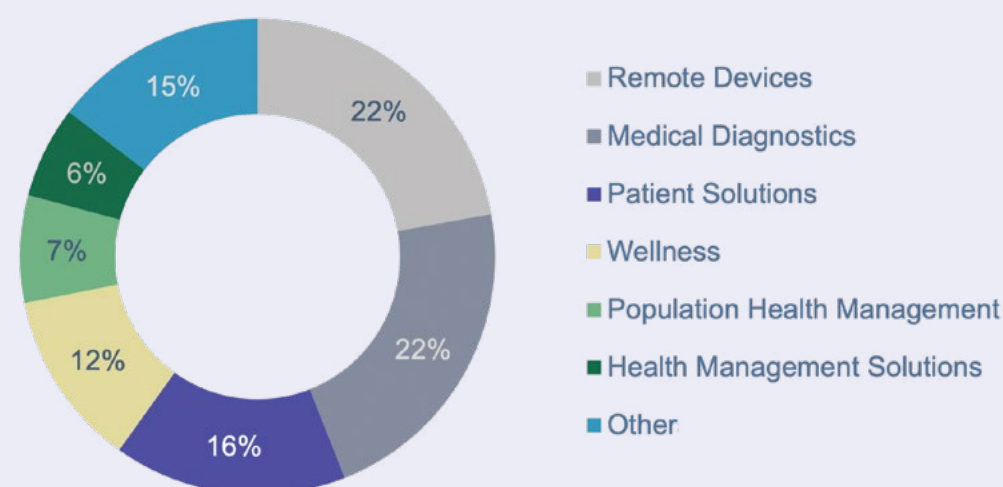
## ECOSYSTEM INSIGHTS

# Q1-Q3 2022 Regulatory Filings

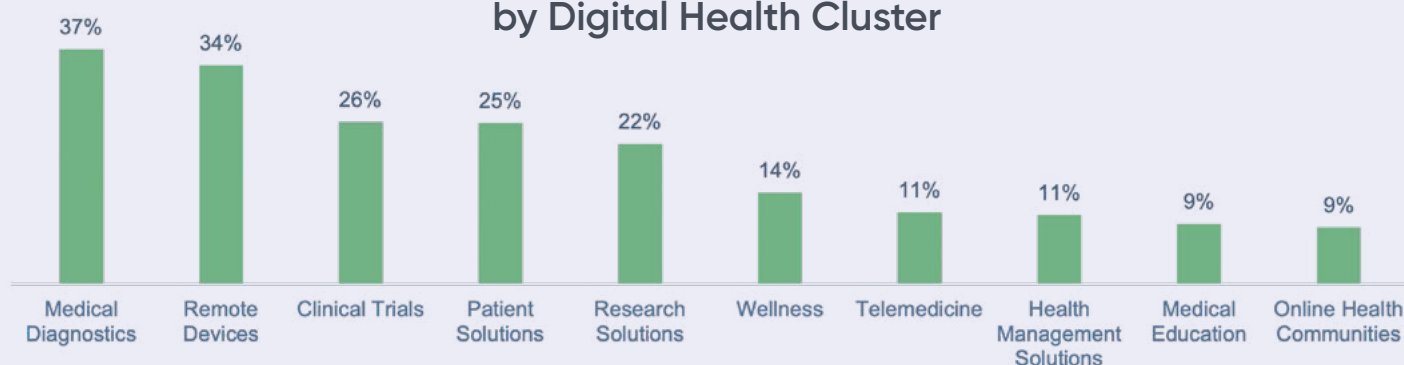
- In Q1 - Q3 2022, Digital Health ventures received a total of 316 regulatory filings.
- 44% of ventures receiving filings are across the Remote Devices and Medical Diagnostics clusters
- Medical Diagnostics has the highest share of ventures with an Evidence Signal greater than 40, indicating significant clinical strength

Global Region	# of Regulatory Filings
North America	101
Asia Pacific	86
Europe	85
Middle East	44

Regulatory Filings by Digital Health Cluster  
(Q1 - Q3 2022)



Share of Ventures with Evidence Signal > 40,  
by Digital Health Cluster

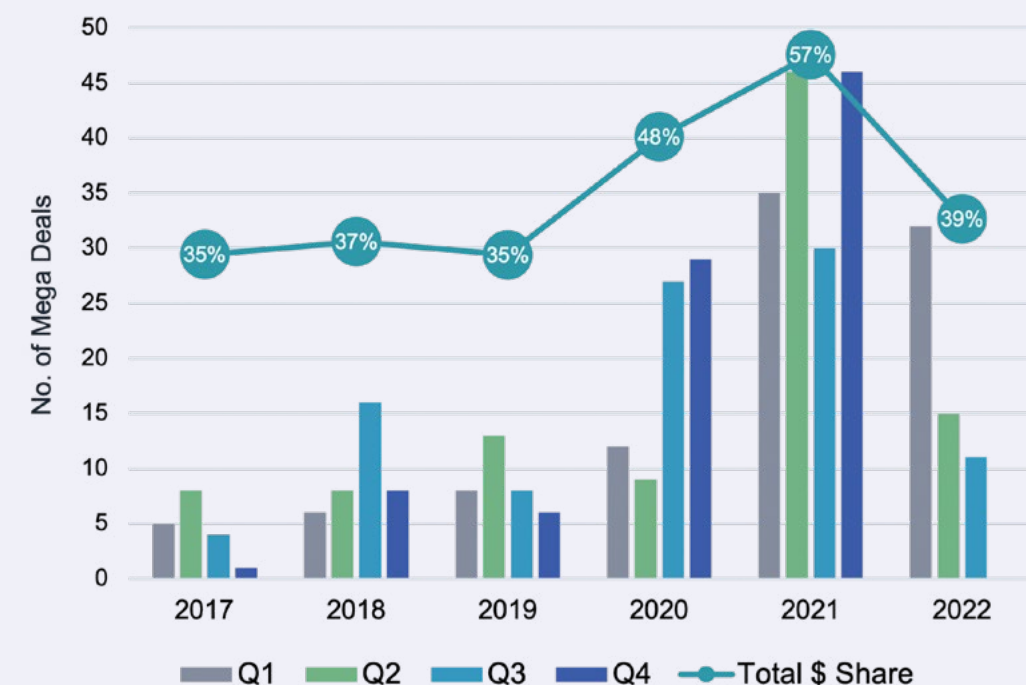


## ECOSYSTEM INSIGHTS

# Large Funding Events

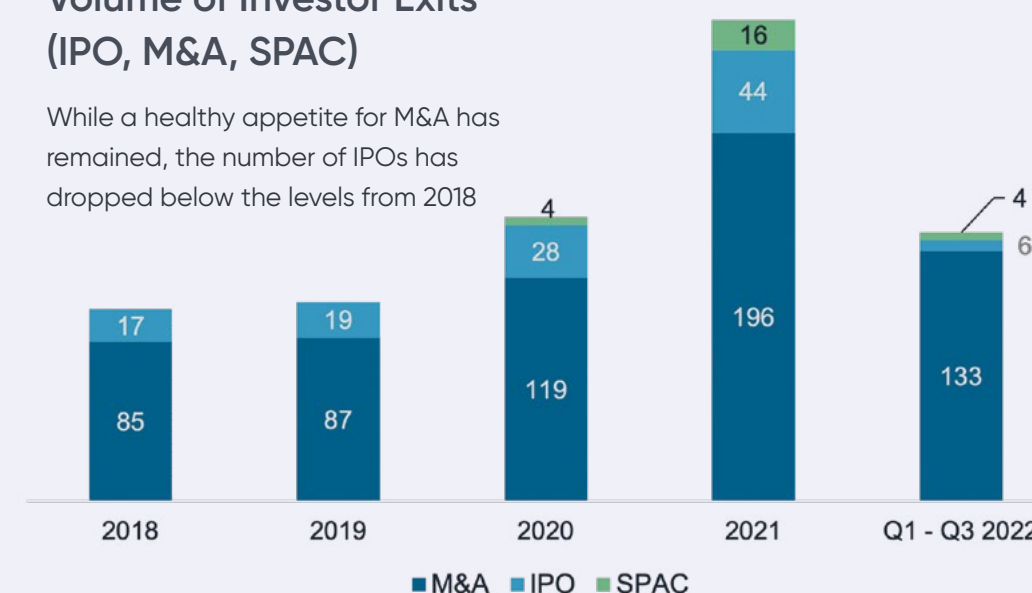
With strong geo-political and economic headwinds impacting investor appetite, Mega Deals (≥\$100M) have decreased to the lowest levels since Q2 2020

Historical Volume of Mega Deals



Volume of Investor Exits  
(IPO, M&A, SPAC)

While a healthy appetite for M&A has remained, the number of IPOs has dropped below the levels from 2018





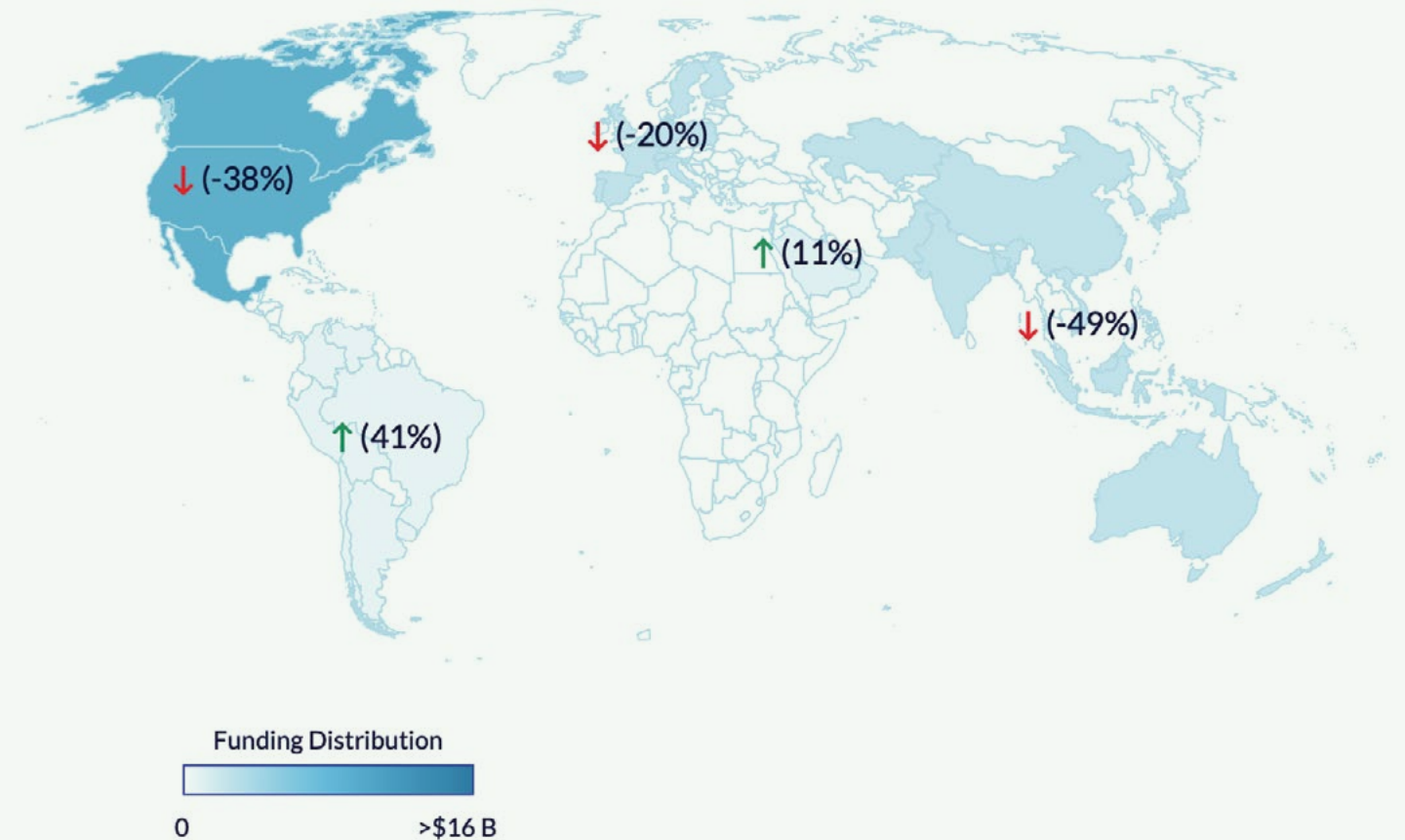
"Today's market dislocation provides founders with a range of opportunities to build meaningful, innovative solutions for bridging gaps in care, removing friction from workflow and processes and alleviating the burden on providers and systems that has accumulated over the years. I am most excited about the application of software and data to improve handoff points in healthcare between providers and payers, payers and pharma, providers and pharma, etc. Today's attenuated labor markets, supply chains and macroeconomic environment may be the new normal for years and we must create technology solutions that are adapted to these new constraints. Historically, market corrections shine the brightest light on the most pressing problems and founders rise to the challenge to solve those problems."

**Cheryl Cheng**  
Managing Partner  
Vive Collective

## Global Q1–Q3 Investment Insights

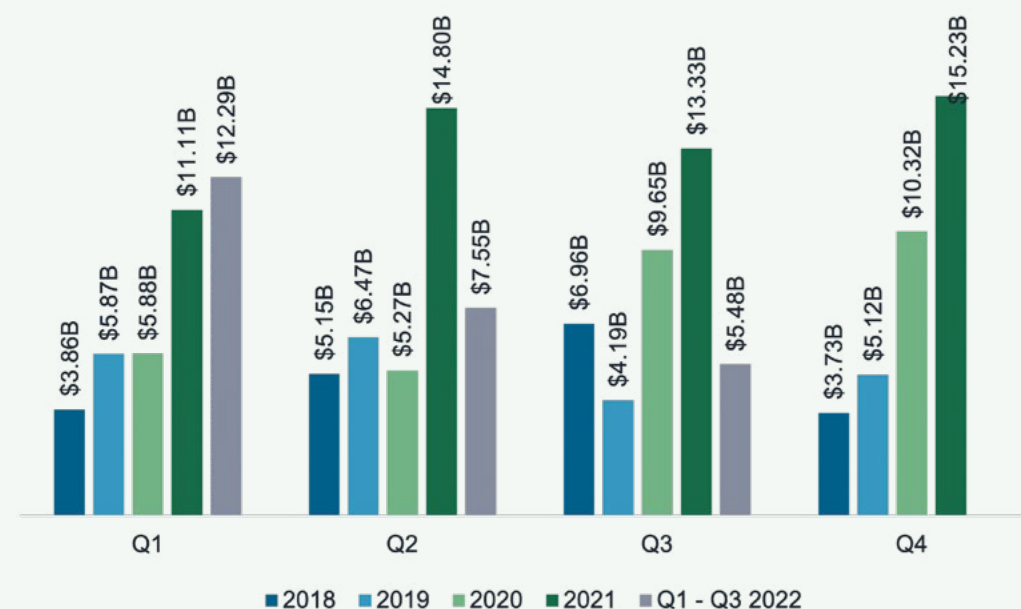
### Q1–Q3 2022 Funding Distribution

Region	Total Funding (% change to 2021)
North America	\$16.02B ↓ (-38%)
Europe	\$3.90B ↓ (-20%)
Asia Pacific	\$3.77B ↓ (-49%)
Middle East	\$1.05B ↑ (11%)
South America	\$280M ↑ (41%)

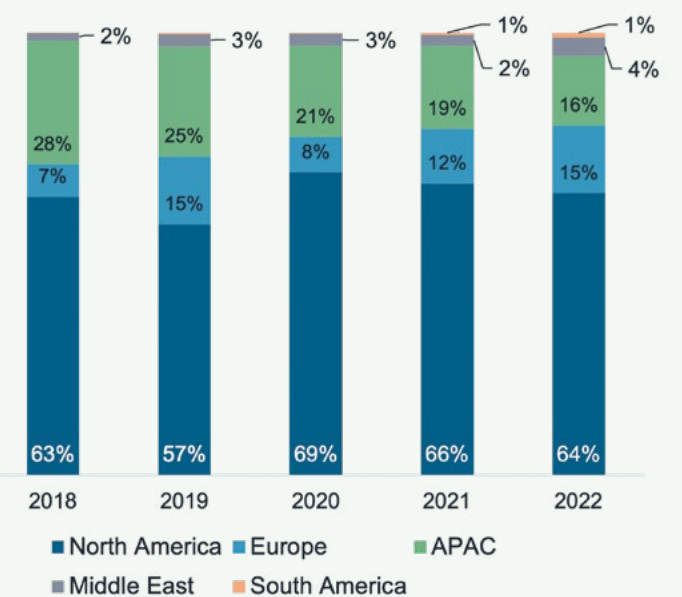


### Digital Health Funding History

Q1 – Q3 2022 delivered \$25.34B in total venture funding, down 35% versus the same period last year. Despite this weaker performance, funding compared to the first three quarters of 2020 is up 22%. However, compared to pre-pandemic levels, deal activity remains lower, impacted by continued challenging conditions across the globe.



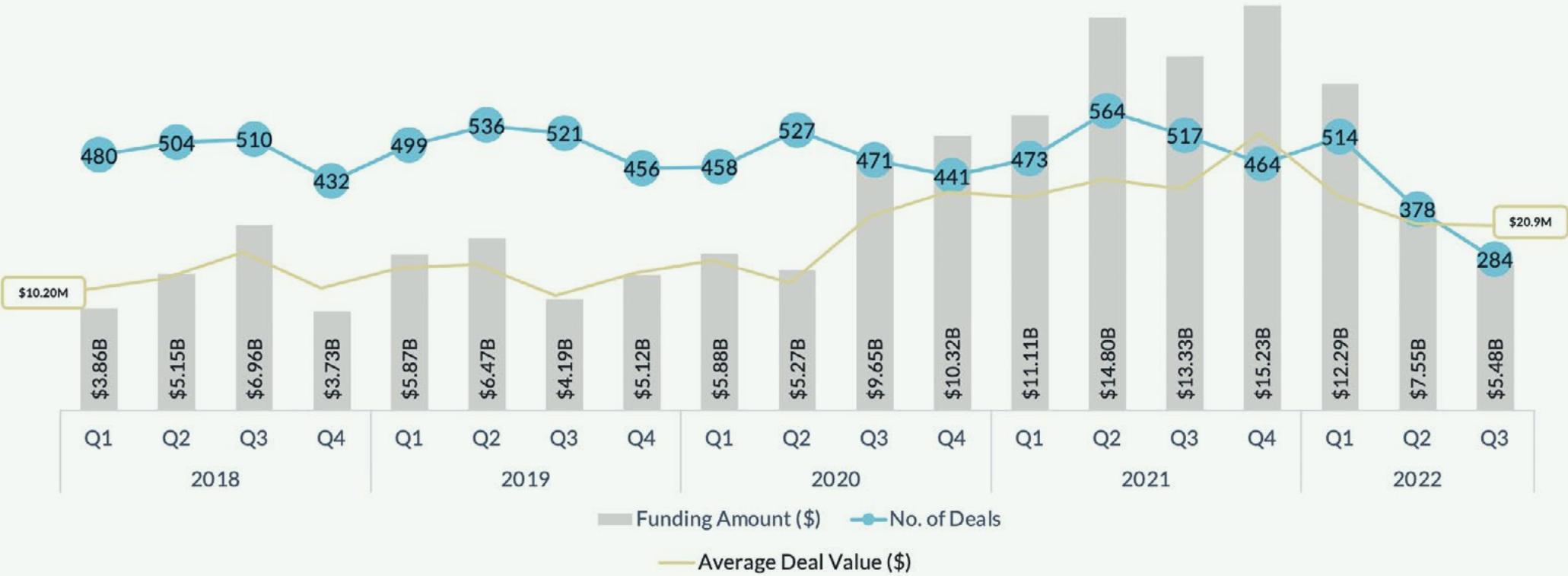
Value Share in Global Venture Capital  
Funding by Region (2018 – Q3 2022)



INVESTMENT INSIGHTS

# QoQ Digital Health Funding

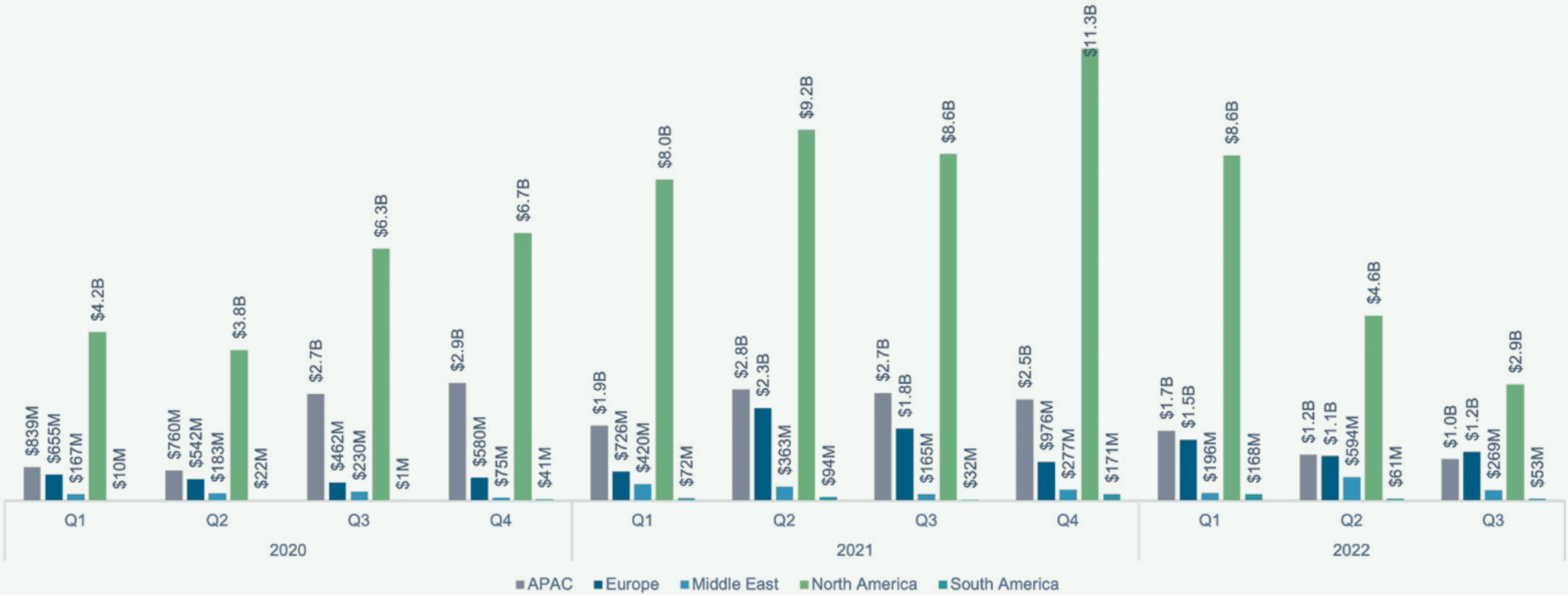
The number of investment deals closed in the third quarter of this year dipped by 25%, compared to the second quarter, with 27% lower total value raised. Despite the lower performance as compared to the previous eight quarters, the average deal value remains higher versus pre-pandemic levels.



INVESTMENT INSIGHTS

# QoQ Digital Health Regional Funding

With over 60% share of the total venture funding value, funding values from North America dominate the global trends. However, on a regional level, the Middle East raised record-breaking amounts of venture funding in Q2 2022, and Europe is maintaining momentum throughout 2022 and has not experienced the quarter-on-quarter decrease in venture funding that is impacting North America.





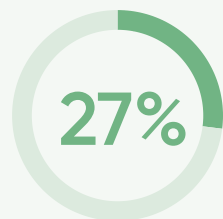
## INVESTMENT INSIGHTS

# Digital Health Funding Across Regions, Q1–Q3 (2018 – 2022)



## INVESTMENT INSIGHTS

# Funding Strength

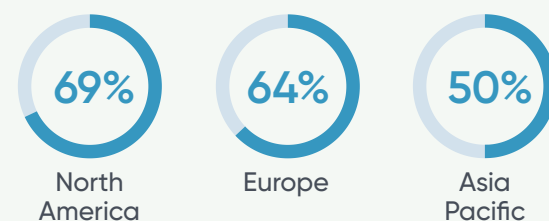


2021 was an exceptional year for fundraising, whereas 2022 is proving to be more challenging. For the ventures that successfully closed funding rounds in 2021, the deceleration in funding due to uncertain geo-political and economic conditions should be less daunting.

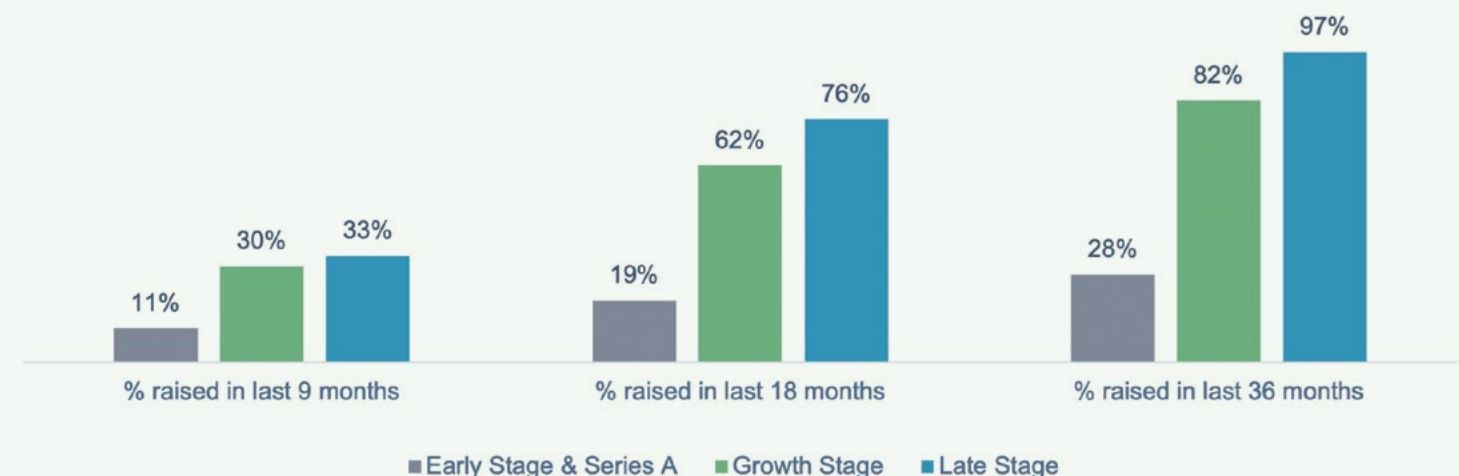
To better understand the current Funding Strength of the ecosystem, Galen Growth analyzed the number of ventures that have raised funding over the past 36 months.

With only **27% having raised in the last 18 months**, the remainder of the ecosystem could be facing a bumpy ride, forcing them to cut costs &/or focus on profitability before growth &/or rethinking their business model.

Share of Growth Stage (Series B & Series C)  
Digital Health ventures  
with incorporation date after 2012  
that have raised funding in the past 18 months



Global average percentage of ventures that have raised funding, by funding interval and current funding stage



# Global Q1–Q3 Cluster Focus



“With market uncertainty and belt tightening for venture funding, entrepreneurs should remember to look to Corporate Venture Capital groups as we lean-in and continue to back top innovators while remaining strategically focused.”

**Cris Deluca**  
**Partner, Digital Investments**  
 Sanofi Ventures

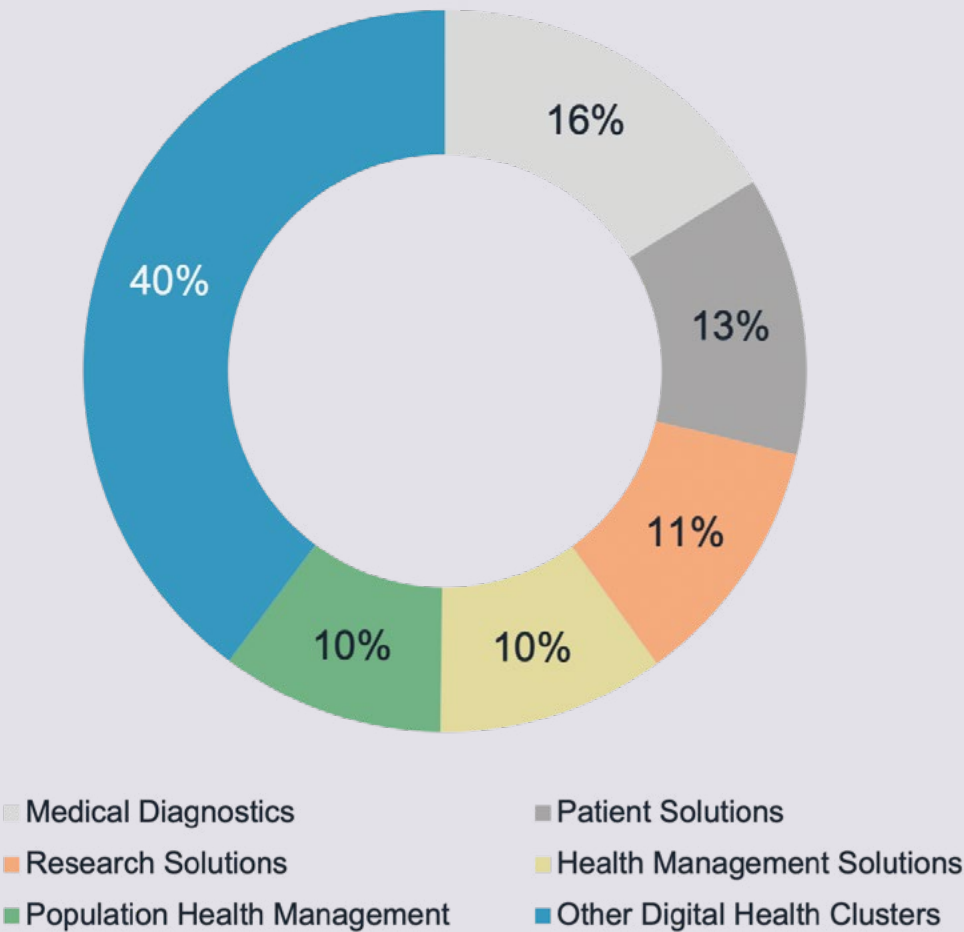
## Digital Health Taxonomy

<b>Health Management Solutions</b>  EHR / PHR Hospital Pharmacy Physician / Clinic Prescriptive Analytics	<b>Health Services Search</b>  Healthcare Navigation Medical Concierge Medical Tourism Triage	<b>Health InsurTech</b>  Health Claim Management Health Insurance Medical Payments	<b>Medical Diagnostics</b>  Diagnosis Tools Medical Imaging Omics Related Diagnosis
<b>Medical Education</b>  Consumer Education HCP Education Health Information Platform	<b>Online Health Communities</b>  Other HCP Networks Patient Health Forums Physician Networks	<b>Online Marketplace</b>  Consumer Marketplace On-demand Lab Tests Online Pharmacy Professional Marketplace	<b>Patient Solutions</b>  Digital Therapeutics Disease Management Health / Symptom Checker Medication Management
<b>Population Health Management</b>  Care Coordination Corporate Health Home Healthcare Integrated Solutions	<b>Remote Devices</b>  Assistive Care Remote Diagnostic Devices Remote Monitoring Devices	<b>Research Solutions</b>  Bioinformatics Drug Discovery Omics Related Research	<b>Clinical Trials</b>  Decentralized Clinical Trials Clinical Trial Matching Data Collection Tools
<b>Telemedicine</b>  Teleconsultation Telepathology Teleradiology Telesurgery	<b>Veterinarian</b>  Animal Health Forums Animal Imaging Animal Monitoring Omics Related Veterinary Televeterinary	<b>Wellness</b>  Omics Related Applications Smart Equipment Wearables Wellness Apps Wellness Information Platform	<b>Safety &amp; Security</b>  Counterfeit Tracking Cybersecurity Pharmacovigilance
<b>Healthcare Logistics</b>  Transportation Management On-demand Delivery	<b>Other</b>  Contamination Management HCP Job Board Healthcare Marketing Social Enterprise Software Provider		

# Venture Funding in Key Digital Health Clusters

The Patient Solutions and Medical Diagnostics clusters captured 29% of the total funding value deployed from Q1 to Q3 2022. Research Solutions, which held the top spot in 2021, dropped to position 3 in the first 9 months of 2022. The top 5 funded clusters represent 60% of the total value invested this year.

Top Funded Digital Health Clusters (2022)



Digital Health Cluster	Total Funding (Q1 – Q3 2022)	Rank in 2021	Largest Deal in Q1-Q3 2022
Medical Diagnostics	\$4.11B	#2	<u>Freenome</u> \$290.0M (Series D1)
Patient Solutions	\$3.17B	#4	<u>Somatus</u> \$325M (Series E)
Research Solutions	\$2.87B	#1	<u>Enzymaster (酶赛)</u> \$300M (Series C)
Health Management Solutions	\$2.58B	#3	<u>Clarify Health</u> \$150M (Series D)
Population Health Management	\$2.53B	#6	<u>Cera</u> \$315.62M (Series C)



## DIGITAL HEALTH Q3: CLUSTER FOCUS

# Top Ventures in Key Clusters

With 18% of the Digital Health ventures across the globe, the cluster with the most ventures is Health Management Solutions, followed by Patient Solutions (15%). Patient Solutions was also the second-most invested cluster in the first 3 quarters of 2022.

### 18% OF VENTURES | HEALTH MANAGEMENT SOLUTIONS



### 15% OF VENTURES | PATIENT SOLUTIONS



### 14% OF VENTURES | TELEMEDICINE



### 13% OF VENTURES | WELLNESS



### 13% OF VENTURES | MEDICAL DIAGNOSTICS

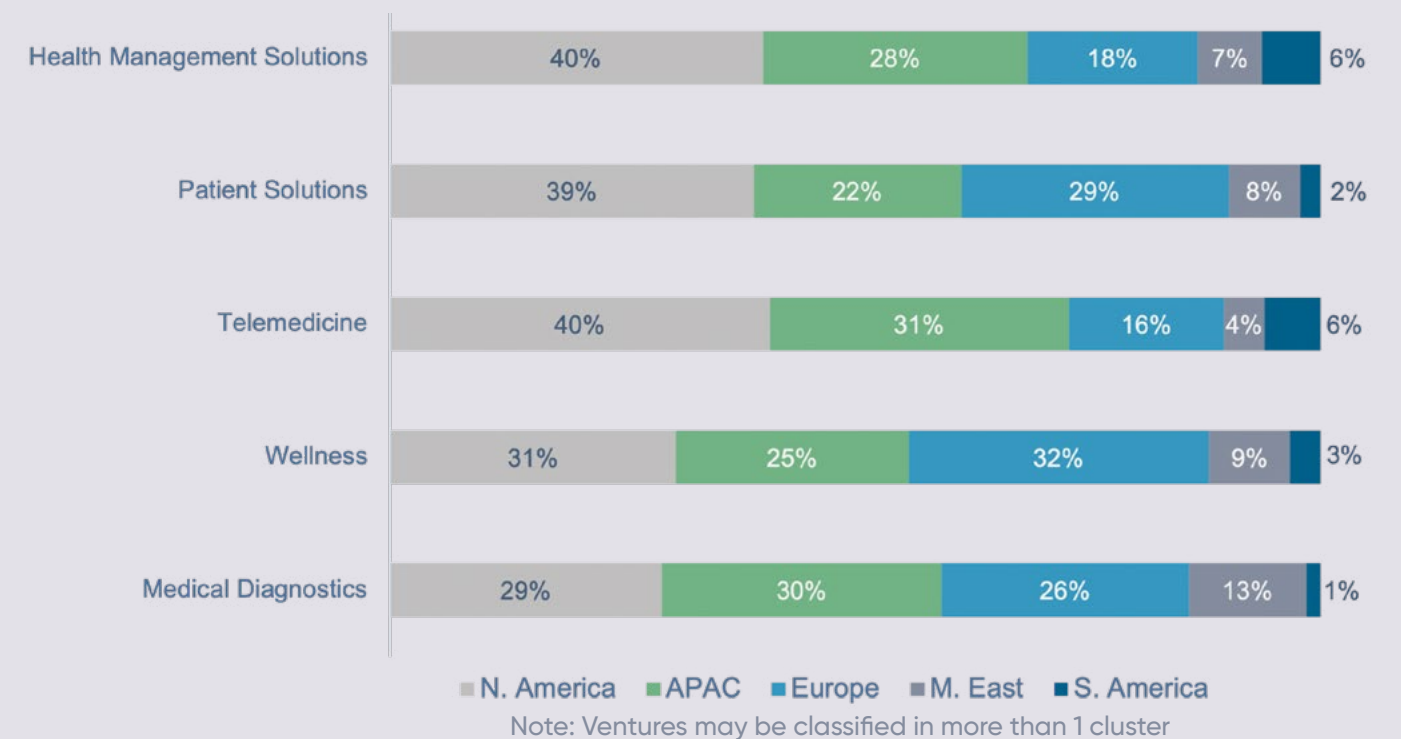


## DIGITAL HEALTH Q3: CLUSTER FOCUS

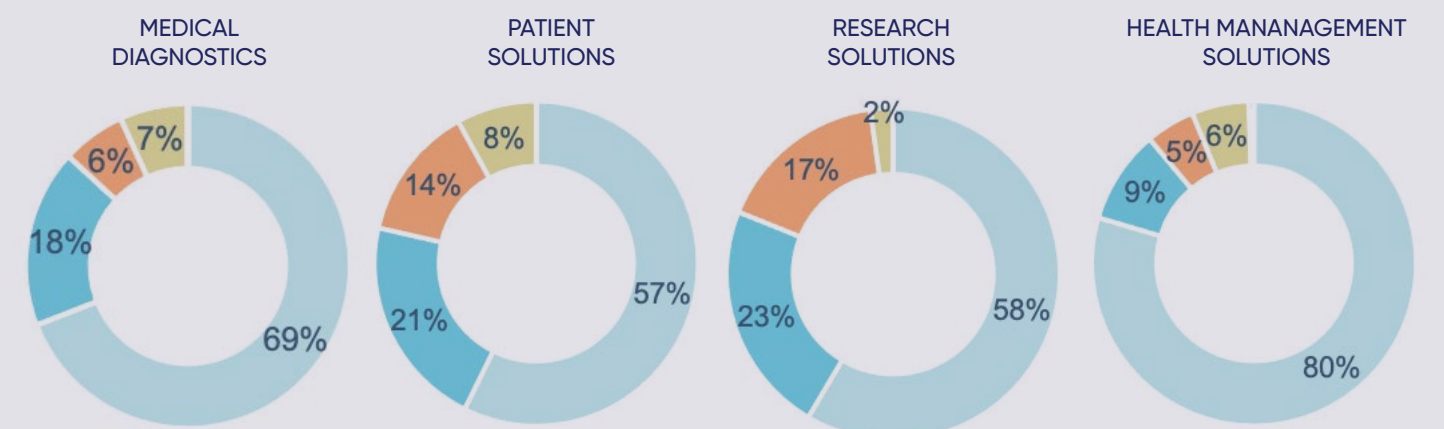
# Global Venture Distribution by Clusters

While funding across the largest Digital Health Clusters is dominated by North American ventures, the distribution of venture volume is more balanced. Europe takes the top spot for number of ventures focused on Wellness solutions, and Asia Pacific captures the top spot for Medical Diagnostics.

### Share of Cluster Venture Volume by Region



### Share of Funding for Top Funded Digital Health Clusters (Q1 – Q3 2022) by Region





"The venture funding cooling down continues to impact late-stage startups, while the seed-stage landscape remains mostly unchanged and the preseed-stage landscape largely so. Also, not all health tech is alike. Clinical and non-clinical workflow solutions selling to the enterprise (the so-called "Healthcare Tools" in our taxonomy, including and especially Provider Operations companies) received the most funding, with the industry's priority closing in around sophisticated healthcare solutions that can close gaps for patients, providers, and health systems. It will be interesting to see how large enterprises begin to create partnerships and enter the market for platforms and sophisticated solutions."

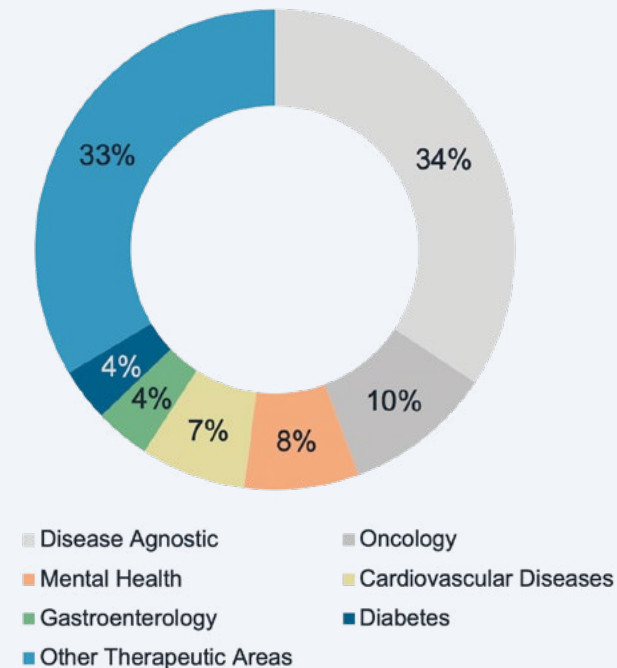
**Mei Jiang**  
SVP Global Digital Innovation  
Medtronic

## Global Q1–Q3 Therapeutic Focus

## Venture Funding in Key Therapeutic Areas

Driven largely by a \$290M investment in California-based venture Freenome, Oncology maintained the top position of the most invested therapeutic areas in Q1 – Q3 2022. Mental Health, which was a regional favorite in many parts of the globe in 2021, held the second position. Gastroenterology rocketed into the TOP5, driven by a \$225M investment in the Oncology and Gastroenterology focused venture Delfi Diagnostics.

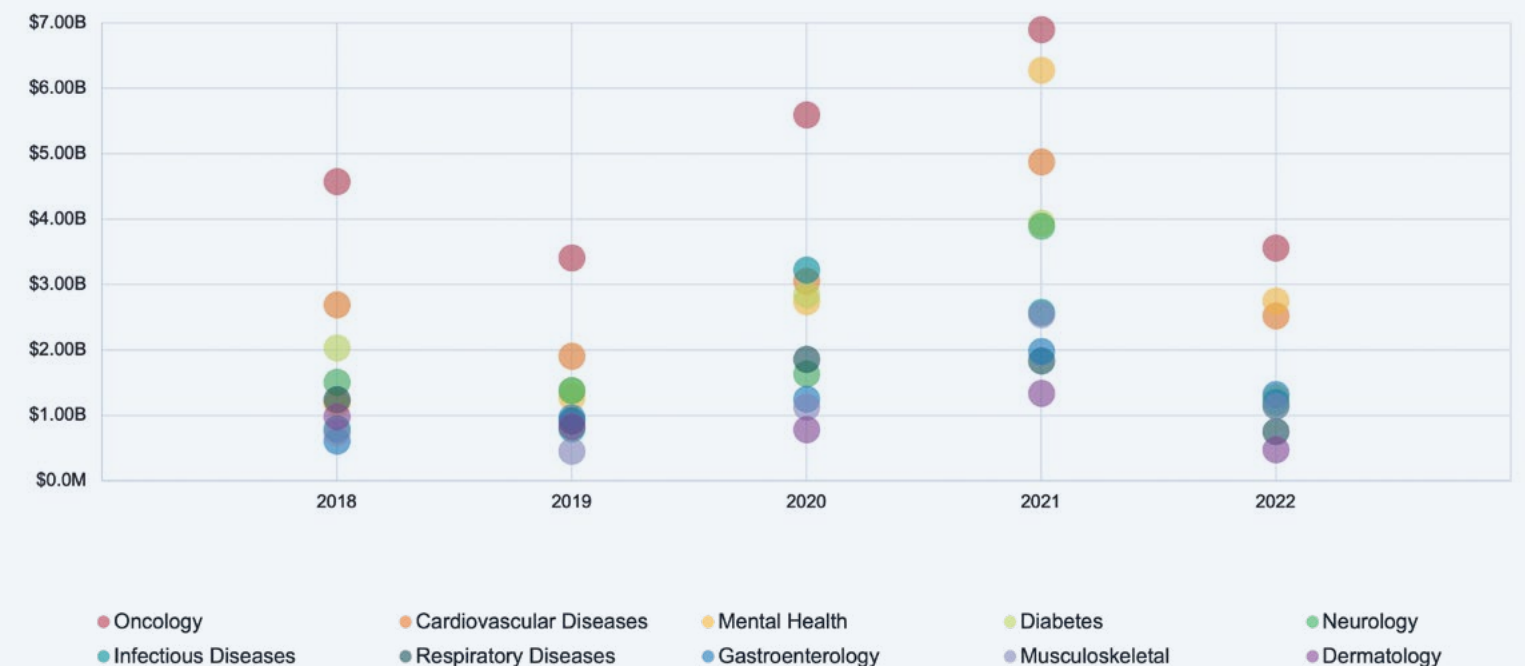
Top Funded Therapeutic Areas (2022)



Therapeutic Areas	Total Funding (Q1 – Q3 2022)	Rank in 2021	Largest Deal in Q1–Q3 2022
Oncology	\$3.56B	#1	<u>Freenome</u> \$290M (Series D1)
Mental Health	\$2.75B	#2	<u>Lyra Health</u> \$235M (Series F1)
Cardiovascular Diseases	\$2.52B	#3	<u>Biofourmis</u> \$300M (Series D)
Gastroenterology	\$1.32B	#9	<u>Delfi Diagnostics</u> \$225M (Series B)
Diabetes	\$1.27B	#4	<u>Omada Health</u> \$192M (Series E)

## Top 10 Therapeutic Areas by Venture Funding Value, 2018–Q3 2022

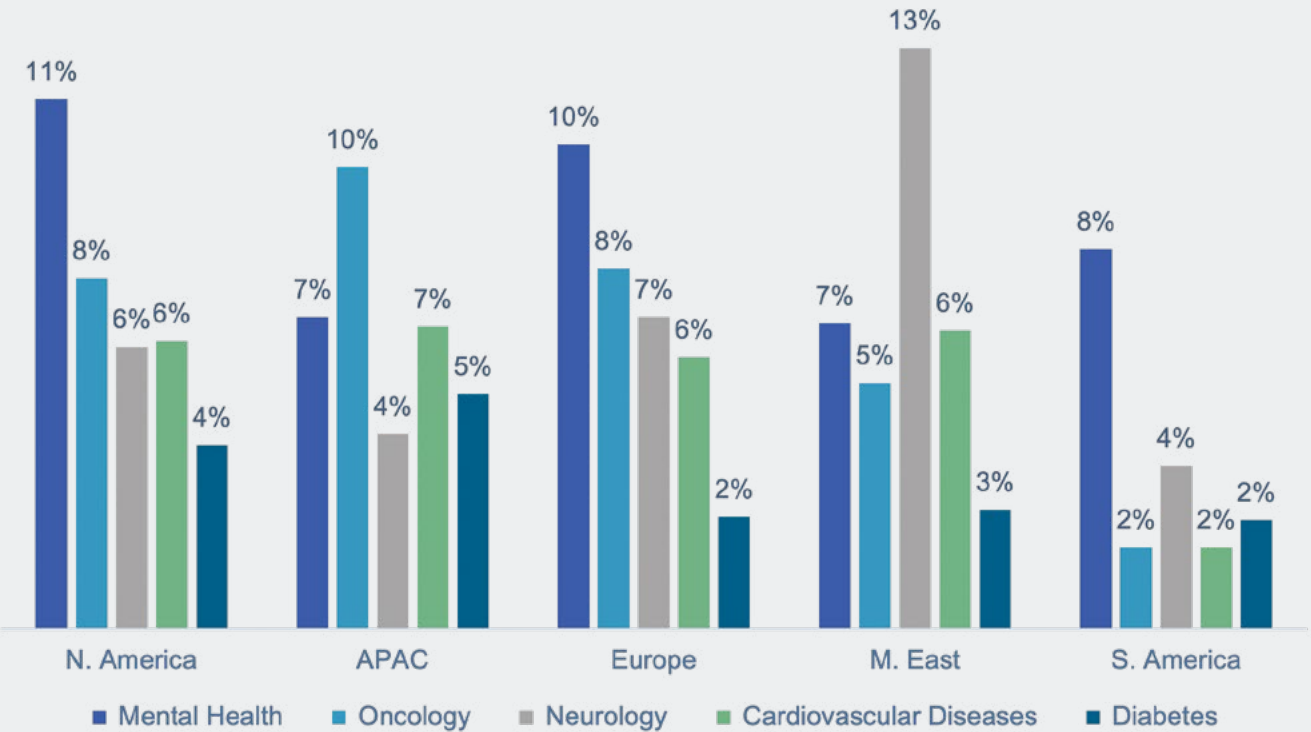
Funding in Oncology ventures dropped by 36% to \$3.56B in the first 3 quarters of 2022 compared to \$5.07B invested in the first 3 quarters of 2021. Despite the investment in Biofourmis, the total value in Cardiovascular Diseases declined by 31% compared to the same period last year.



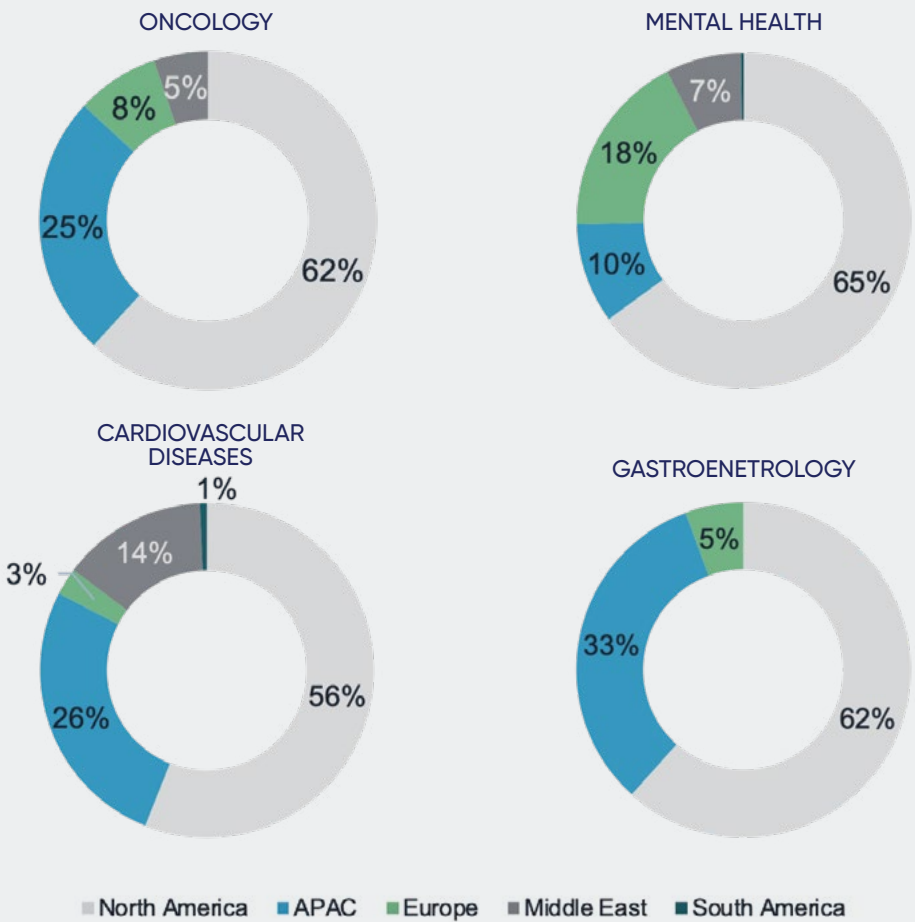
# Global Venture Distribution by Therapeutic Area

Across the 5 major global regions for Digital Health, Mental Health dominates as the largest therapeutic area (by number of ventures) in the Americas and in Europe, while Oncology captures the largest share of ventures in Asia Pacific, and Neurology takes the top spot in the Middle East. Across all of the largest therapeutic areas, North America captures more than a 50% share of venture funding value.

Share of Venture Volume by Therapeutic Area and Region



Share of Funding for Top Funded Therapeutic Areas (Q1 – Q3 2022) by Region







“Asia-Pacific is emerging as the hub of digital health, witnessing a steady increase in funding and substantial growth in regulatory filings- reflecting the focus on research and innovation. With a strong ecosystem built on pillars of entrepreneurship, talent pool, and innovation, Asia-Pacific will be leading digital health growth, especially in areas of access to health services, diagnostics and digital therapeutics for NCDs.

**Aman Gupta**  
Managing Partner—Asia Health Practice  
FINN Partners

# Global Q1–Q3 Noteworthy

## DIGITAL HEALTH Q3: NOTEWORTHY

### Noteworthy Deals Asia Pacific

Venture	Lead Investors	HQ Country	Category	Stage	Date	Deal Value
<u>Biofourmis</u>	General Atlantic	Singapore	Digital Therapeutics	Series D	4/2022	\$300M
<u>MediBuddy</u>	Quadria Capital	India	Teleconsultation	Series C	2/2022	\$125M
<u>WeDoctor</u> (微医)	Shandong Tianye	China	Medical Concierge	Series F	7/2022	\$149M
<u>HaploX</u> (海普洛斯)	SBCVC	China	Omics Related Diagnosis	Series D	7/2022	\$100M
<u>PharmEasy</u>	General Atlantic, Canada Pension Plan Investment Board, Abu Dhabi Investment Authority	India	Consumer Marketplace	Series F	9/2022	\$250M

## DIGITAL HEALTH Q3: NOTEWORTHY

### Noteworthy Exits (M&A & IPO) Asia Pacific

#### M&A

Venture	Acquirer	HQ Country	Category	Date	Deal Value
<u>Mfine</u>	LifeCell International	India	Teleconsultation	7/2022	undisclosed
<u>Medo</u>	Exo	Singapore	Medical Imaging	7/2022	undisclosed
<u>HealthNow</u>	KonsultaMD	Philippines	Teleconsultation	7/2022	undisclosed

#### IPO

Venture	HQ Country	Category	Date	Opening Price*	Amount Raised At IPO (USD)	Market Capitalization	Change In Share Price %**
<u>Zhiyun Health</u> (智云健康)	China	Hospital	7/2022	30.5 HKD	\$86.3M	314.7 HKD	-55%
<u>Lunit</u> (루닛)	South Korea	Diagnosis Tools	7/2022	30,000 KRW	\$27.7M	246.9B KRW	-32%
<u>Mega Genomics</u> (美因基因)	China	Omic Related Diagnosis	6/2022	17.82 HKD	\$20.0M	4.22B HKD	-8.5%

\*\* opening share prices as of 14 Oct 2022 35

# Noteworthy Deals North America

Venture	Lead Investors	HQ Country	Category	Stage	Date	Deal Value
<u>Cleerly</u>	undisclosed	United States	Medical Imaging	Series B1	3/2022	\$16.8M
<u>Delfi Diagnostics</u>	DFJ Growth	United States	Omics Related Diagnosis	Series B	7/2022	\$225M
<u>Reify Health</u>	Altimeter Capital, Coatue Management	United States	Decentralized Clinical Trials, Clinical Trial Matching	Series D	4/2022	\$220M
<u>CareBridge</u>	Oak HC/FT	United States	Health Claim Management	Series B	6/2022	\$140M
<u>Alma</u>	Thoma Bravo	United States	Teleconsultation	Series D	8/2022	\$130M

# Noteworthy Exits (M&A & IPO) North America

## M&A

Venture	Acquirer	HQ Country	Category	Date	Deal Value
<u>PrescribeWellness</u>	Transaction Data Systems	United States	Disease Management, Pharmacy	6/2022	\$140M
<u>One Medical</u>	Amazon	United States	Teleconsultation	7/2022	\$3.9B
<u>Signify Health</u>	Aetna	United States	Home Healthcare, Care Coordination	9/2022	\$8.0B
<u>Semantix</u>	Alpha Capital SPAC	United States	Hospital	8/2022	undisclosed
<u>Foxo Technologies</u>	Delwinds (SPAC)	United States	Omics Related Research, Health Insurance, Omics Related Applications, Bioinformatics	9/2022	undisclosed

## IPO

Venture	HQ Country	Category	Date	Opening Price*	Amount Raised At IPO (USD)	Market Capitalization	Change In Share Price %**
<u>Aclarion</u>	United States	Medical Imaging	4/2022	\$2.90 USD	\$9.4M	\$9.62M	-66%

\*\* opening share prices as of 14 Oct 2022

Noteworthy Deals Europe

Venture	Lead Investors	HQ Country	Category	Stage	Date	Deal Value
<u>Doctolib</u>	Eurazeo	France	Medical Concierge, Teleconsultation	Series F	3/2022	\$550M
<u>MindMaze</u>	Concord Health Partners	Switzerland	Digital Therapeutics	Series B1	2/2022	\$105M
<u>YuLife</u>	Dai-ichi Life Insurance	United Kingdom	Health Insurance	Series C	7/2022	\$120M
<u>Cera</u>	Kairos HQ	United Kingdom	Disease Management, Home Healthcare	Series C	8/2022	\$316M
<u>Ottonova</u>	Cadence Growth Capital	Germany	Health Claim Management, Health Insurance	Series F	9/2022	\$34M

Noteworthy Deals Middle East

Venture	Lead Investors	HQ Country	Category	Stage	Date	Deal Value
<u>Vayyar</u> (האמדה ראיאו)	Koch Disruptive Technologies	Israel	Medical Imaging, Remote Monitoring Devices	Series E	6/2022	\$108M
<u>Aidoc</u> (לקידם קודיאיא)	TCV	Israel	Medical Imaging	Series D	6/2022	\$110M
<u>Theranica</u> (עב הקינרט)	New Rhein Healthcare	Israel	Digital Therapeutics	Series C	8/2022	\$45M
<u>accessiBe</u>	K1 Investment Management	Israel	Assistive Care	Series A2	8/2022	\$30M
<u>Diagnostic Robotics</u> (קיטסונגאידי סקיטובור)	StageOne Ventures	Israel	Prescriptive Analytics	Series B	7/2022	\$45M

Noteworthy Exits (M&A & IPO) Europe

M&A

Venture	Acquirer	HQ Country	Category	Date	Deal Value
<u>Convenet</u>	Datavant	United Kingdom	EHR / PHR, Software Provider	9/2022	undisclosed
<u>Happytal</u>	La Poste	France	Hospital	9/2022	undisclosed
<u>Pilloxa</u>	Izafe	Sweden	Data Collection Tools, Medication Management	8/2022	undisclosed
<u>Mementor</u>	ResMed	Switzerland	Health /Symptom Checker	8/2022	undisclosed
<u>MiroBio</u>	Medicxi Ventures	United Kingdom	Omics Related Research	8/2022	\$404M

IPO (NONE in Q1 – Q3 2022)

\*\* opening share prices as of 14 Oct 2022

Noteworthy Exits (M&A & IPO) Middle East

M&A

Venture	Acquirer	HQ Country	Category	Date	Deal Value
<u>Medigate</u> (מ"עב קט טייגידמ)	Claroty	Israel	EHR / PHR, Cybersecurity	1/2022	undisclosed
<u>BreezoMeter</u> (רטימודירב)	Google	Israel	Disease Management	9/2022	\$200M

IPO (NONE in Q1 – Q3 2022)

\*\* opening share prices as of 14 Oct 2022



## Noteworthy Deals South America

Venture	Lead Investors	HQ Country	Category	Stage	Date	Deal Value
<u>Betterfly</u>	Glade Brook Capital Partners	Chile	Health Insurance, Social Enterprise	Series C	2/2022	\$125M
<u>Conexa Saúde</u>	Goldman Sachs Asset Management	Brazil	Medical Concierge, Care Coordination, Teleconsultation	Series C	6/2022	\$38M
<u>Dr.consulta</u>	Kamaroopin	Brazil	Teleconsultation	Series D	8/2022	\$33M
<u>ISA Lab</u>	Yaya Capital, FIR Capital, Vox Capital, Kortex and Bradesco Saude	Brazil	On-demand Lab Tests	Series A	8/2022	\$12M
<u>Medway</u>	Softbank	Brazil	HCP Education	Series A	3/2022	\$15M

## Noteworthy Exits (M&A & IPO) South America

### M&A

Venture	Acquirer	HQ Country	Category	Date	Deal Value
<u>Zetta Health Analytics</u>	Semantix	Brazil	Prescriptive Analytics	8/2022	undisclosed
<u>Feegow</u>	DocPlanner	Brazil	Physician / Clinic	8/2022	undisclosed
<u>TNH Health</u>	Gympass	Brazil	Corporate Health, Teleconsultation	4/2022	undisclosed

### IPO (NONE in Q1 – Q3 2022)

\*\* opening share prices as of 14 Oct 2022

## Noteworthy Partnerships

Corporate / Organization	Venture	Country	Date	Primary Category
<u>Walmart</u>	<u>Kindbody</u>	United States	9/2022	Disease Management
<u>Daewoong Pharmaceutical</u>	<u>AZothBio</u> (에이조스바이오)	South Korea	9/2022	Drug Discovery
<u>Massachusetts General Hospital</u>	<u>BostonGene</u>	United States	9/2022	Omics Related Diagnosis
<u>Novartis</u>	<u>Kaiku Health</u>	Finland	8/2022	Disease Management
<u>Roche</u>	<u>Medial EarlySign</u> (מייסילרא לאידמ)	Israel	7/2022	Hospital

## Most Active Partners in Digital Health in 2022 (Q1–Q3)

Corporate Partner	Partner Type	Total No. of Digital Health Partnerships	No. of Digital Health Partnerships Q1–Q3 2022	Noteworthy Partnership	Venture Category
<u>Roche</u>	Bio-/Pharma	109	11	<u>Lunit</u>	Diagnosis Tools
<u>AstraZeneca</u>	Bio-/Pharma	107	7	<u>DokDok Health</u>	Prescriptive Analytics
<u>Novartis</u>	Bio-/Pharma	106	4	<u>Kaiku Health</u>	Disease Management
<u>Pfizer</u>	Bio-/Pharma	90	7	<u>Elucidata</u>	Drug Discovery
<u>Bayer</u>	Bio-/Pharma	84	3	<u>Doctor Anywhere</u>	Teleconsultation

# Most Active Investors in Digital Health in 2022 (Q1 – Q3)

Investor	Type	Cumulative # of Digital Health Deals since 2012	# of Investments (Q1 – Q3 2022)	Latest Participated Investment	Date	Total Value of Latest Deal
<u>General Catalyst</u>	Venture Capital	115	28	<u>CertifyOS</u>	9/2022	\$15M
<u>UK Research and Innovation</u>	Venture Capital	377	25	<u>Congenica</u>	8/2022	\$1.4M
<u>Insight Partners</u>	Venture Capital	59	19	<u>Alma</u>	8/2022	\$130M
<u>Optum Ventures</u>	Venture Capital	69	15	<u>Digital Diagnostics</u>	8/2022	\$75M
<u>Tiger Global Management</u>	Venture Capital	29	13	<u>Intellect</u>	7/2022	\$10M

## So What's Next for Digital Health in 2023?

2022's geopolitical uncertainty has precipitated the inevitable transition from the Digital Health 1.0 era to the 2.0 era with Digital Health reaching an inflexion point, and evolving into a more mature ecosystem enabled by numerous factors:

- **Investors** are moving from Fear of Missing Out (FOMO) to Fear of Looking Foolish (FOLF) and opportunists are being driven out. The uncertainty is driving a flight toward quality funding opportunities and greater due diligence rigor, such as evaluating a venture's Clinical Strength to confirm that the venture's solution can deliver the expected medical results.
- **Ventures** are finding that funding terms & conditions are far less favorable and valuations are continuing to return to reality. This is leading to consolidation, where ventures that are unable to find scaling capital are acquired by mature ventures looking to capitalize on economies of scale. Larger ventures have had valuations cut and therefore need to slim down headcount to cut costs and focus on unmet market needs rather the often redundant low-hanging fruit.
- **Healthcare systems and providers**, driven by a need for greater productivity, are demanding end-to-end solutions that don't require a patchwork of software solutions or apps for a single patient or physician. These Digital Health platforms are becoming possible as mature ventures, which were able to raise capital for expansion during 2020 and 2021, focus on unit-economics and less mature ventures seek strategic exit opportunities to survive the lack of funding.
- **Healthcare Incumbents'** margins are being pressured, and leadership teams are scrambling to improve productivity. Traditional drug companies, for example, have been unable to substantively transform their organizations to effectively adopt data science capabilities, and therefore they are increasingly looking to partner with Digital Health ventures in Research Solutions and Clinical Trials in order to fill in the gaps of missing capabilities to boost their pipeline.

Digital Health solutions are building evidence of effectiveness, and payors are beginning to understand the value that these solutions can bring to patients in both preventing and treating illness. The path forward into 2023 will be more challenging, but this new landscape will strengthen the pipeline of ventures, drive innovation further and bring the Digital Health promise yet nearer.

# Key Information



"We know that to uncover new market opportunities, you need to follow the money. Understanding the focus of venture capital firms, announcements of new partnerships and bootstrapped startups making the health tech events circuit all paint a picture of the next few years in the digitally-driven health industry. This Global Q3 report highlights and confirms market dynamics that have been in motion since shortly into the COVID-19 pandemic.

**Barry Reicherter**  
Managing Partner, Global Intelligence  
FINN Partners

## Scope of Report

This report covers Digital Health ventures with an incorporation date after 2002. The data is valid as of 07.10.2022.

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 page 47 for further insights.

## Key Terms and Definitions

<b>Base Currency</b>	USD
<b>Early Stage</b>	All deals up to and including Series A Stage
<b>Growth Stage</b>	All deals at Series B & C stage
<b>Late Stage</b>	All deals at Series D & Beyond Stage
<b>Exit</b>	IPO, SPAC and M& A deals
<b>HTA</b>	Health Tech 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 purpose.

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

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

## Research Inquiries

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



# Digital Health Taxonomy

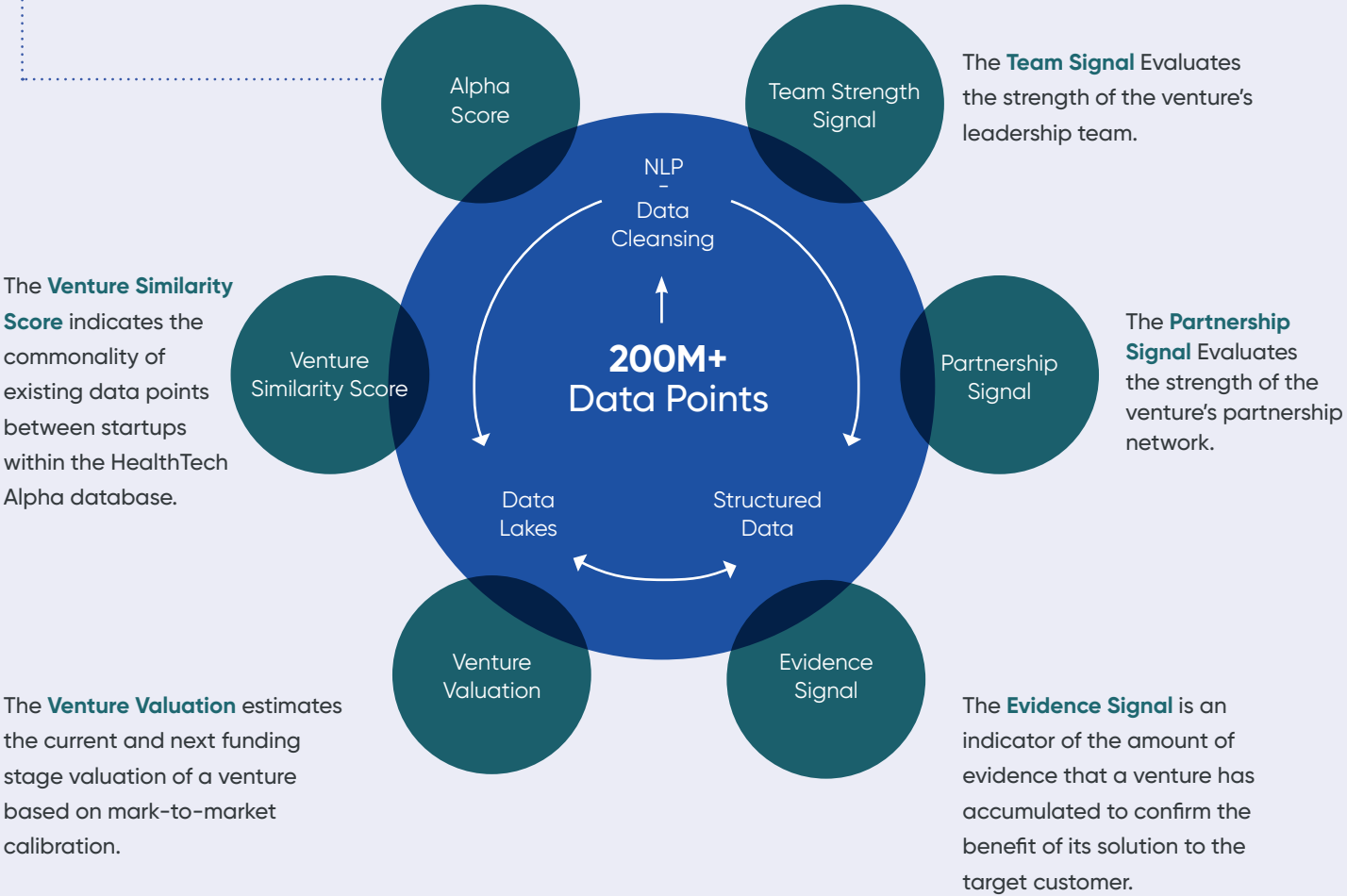
Health Management Solutions	Health Services Search	Health InsurTech	Medical Diagnostics
EHR / PHR Hospital Pharmacy Physician / Clinic Prescriptive Analytics	Healthcare Navigation Medical Concierge Medical Tourism Triage	Health Claim Management Health Insurance Medical Payments	Diagnosis Tools Medical Imaging Omics Related Diagnosis
Medical Education	Online Health Communities	Online Marketplace	Patient Solutions
Consumer Education HCP Education Health Information Platform	Other HCP Networks Patient Health Forums Physician Networks	Consumer Marketplace On-demand Lab Tests Online Pharmacy Professional Marketplace	Digital Therapeutics Disease Management Health / Symptom Checker Medication Management
Population Health Management	Remote Devices	Research Solutions	Clinical Trials
Care Coordination Corporate Health Home Healthcare Integrated Solutions	Assistive Care Remote Diagnostic Devices Remote Monitoring Devices	Bioinformatics Drug Discovery Omics Related Research	Decentralized Clinical Trials Clinical Trial Matching Data Collection Tools
Telemedicine	Veterinarian	Wellness	Safety & Security
Teleconsultation Telepathology Teleradiology Telesurgery	Animal Health Forums Animal Imaging Animal Monitoring Omics Related Veterinary Televeterinary	Omics Related Applications Smart Equipment Wearables Wellness Apps Wellness Information Platform	Counterfeit Tracking Cybersecurity Pharmacovigilance
Healthcare Logistics	Other		
Transportation Management On-demand Delivery	Contamination Management HCP Job Board Healthcare Marketing Social Enterprise Software Provider		

# Digital Health Analytics



The **Alpha Score** is a 360° Venture Maturity assessment that aggregates four distinct and independent Alpha Indices

- **Momentum index:** evaluates the present performance and fitness of the venture relative to its ecosystem peers.
- **Money index:** quantifies the financial strength and well-being of the venture based on its financial history and investor quality.
- **Market index:** evaluates the health of the sector category and sub-category in which a startup competes.
- **Innovation index:** evaluates the degree to which the venture is solving healthcare pain points.



The **Venture Similarity Score** indicates the commonality of existing data points between startups within the HealthTech Alpha database.

The **Team Signal** Evaluates the strength of the venture's leadership team.

The **Partnership Signal** Evaluates the strength of the venture's partnership network.

The **Evidence Signal** is an indicator of the amount of evidence that a venture has accumulated to confirm the benefit of its solution to the target customer.

The **Venture Valuation** estimates the current and next funding stage valuation of a venture based on mark-to-market calibration.

# About Galen Growth



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

## Global Digital Health Ecosystem Coverage

Our unmatched coverage of the world's most innovative Digital Health 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 & life sciences 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 unrivaled Digital Health data.



# About FINN Partners



Founded in 2011, FINN is one of the world's fastest growing independent agencies, serving clients through a powerful combination of hands-on partnership, highly specialized, deep-rooted expertise and a values-driven culture that champions collaboration and innovation, and strives to create a more equitable world.

More than an integrated marketing agency, we are a bold collective of communications advocates, stewarding brands, protecting reputations, pioneering industries, influencing public policy and leveraging data and analytics to shape the most important conversations of our day.

We are smart, passionate people on a mission to make a difference in the world.

33  
offices

15+  
industries

3  
continents

1,400+  
people

# About Our Partnership

Galen Growth, the leading digital health, data-driven market intelligence company, and FINN Partners, a global integrated marketing services agency, announced a joint effort to mine data and produce the first "Global State of Digital Health Report." The first report drawing input from some 200M data points and more than 12,000 digital health ventures across the globe, will be released at the November HLTH Conference in Las Vegas. The second report will be available in January 2023 at the JP Morgan Healthcare Conference in San Francisco, CA, as part of the Future & Health Event. Additional quarterly reports are anticipated throughout the coming year.

With this partnership, experts from the FINN Global Digital Health Group are working side-by-side with Galen Growth data and research professionals to chart the complex and often fragmented digital health landscape, emerging market trends and areas of growth and innovation, and look beyond equity funding to explore what's expected to happen in this fast-paced digital health sector. The combined team will look beyond the "hype" of digital to map the priority and practical opportunities for decision-makers.

The first of the two reports will lay the groundwork for future reports recapping the year-to-date in digital health and focus on global investment insights, categories and therapeutics, to name a few themes that hold great potential to benefit from digital applications and 2023 trends.



"This inaugural Galen Growth FINN Partners report on Digital health funding highlights some of the changes that are occurring as the digital health market begins to mature. Gone are the days for funding based on growth. We are now seeing more clinical evidence based, path to profit models appearing, which will impact valuations and funding. FINN Partners is proud to partner with Galen Growth on tracking the market and providing our clients with the most informed perspective on all things digital health, globally."

**Ritesh Patel**

Senior Partner, Global Digital Health  
FINN Partners



