

DIGITAL HEALTH ECOSYSTEM EXECUTIVE BRIEFING

# Digital Health in Massachusetts

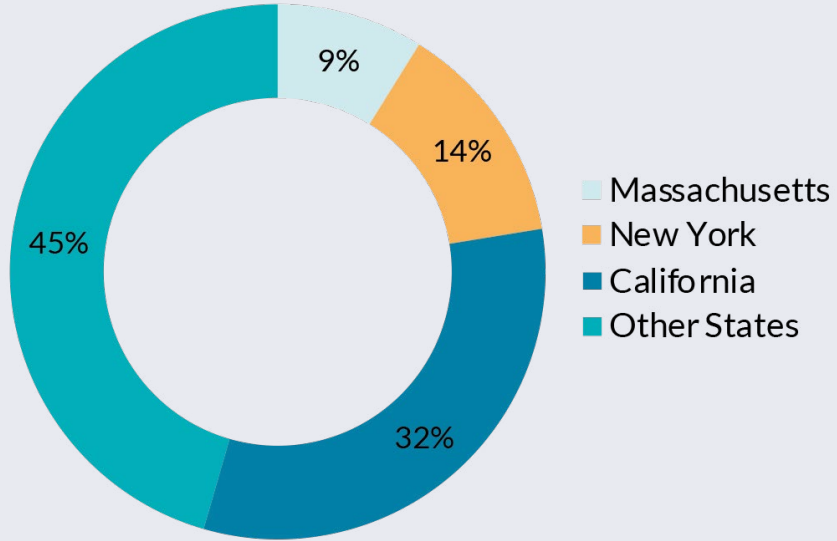
2022 Year End



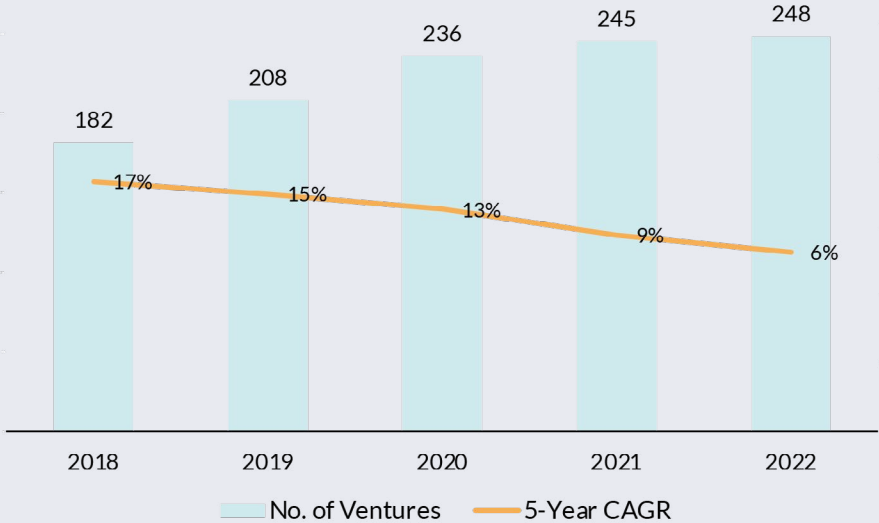
# Massachusetts Ecosystem Development

At the end of 2022, there were 248 private and active ventures that were founded in Massachusetts, and over the past 5 years, the ecosystem has been expanding at a CAGR of 6%. Within the U.S., 9% of Digital Health ventures were founded in Massachusetts, making it the 3rd largest ecosystem after CA and NY. Within Massachusetts, 40% of the ventures were founded in Boston, and 28% in Cambridge

Massachusetts as a share of total private ventures in the U.S.



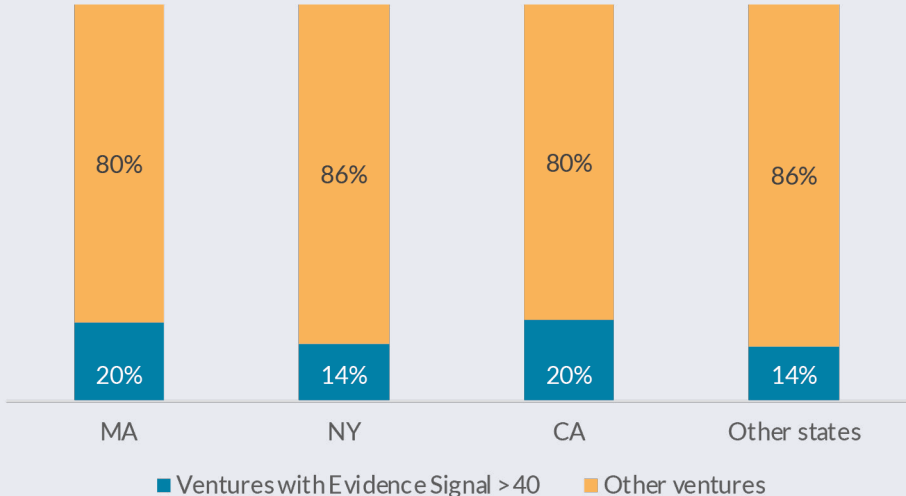
Cumulative volume of ventures in Massachusetts



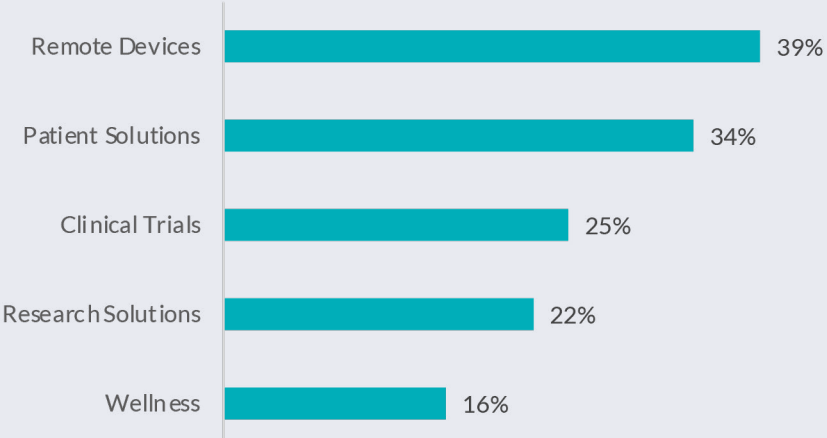
# Building a Portfolio with Emphasis on Strong Clinical Evidence

Clinical Evidence can demonstrate that a venture's Digital Health solution improves the outcomes of the patient population that is being addressed. Galen Growth's Evidence Signal evaluates the number of global regulatory filings, approved clinical trial applications, and peer reviewed publications\* for a venture. In Massachusetts and California, 21% of ventures have an Evidence Signal > 40, and Massachusetts ventures with solutions in Remote Devices take the state's top spot, with 39% of the ventures having Evidence Signal > 40.

Share of ventures with Evidence Signal >40, by state



Share of MA ventures with Evidence Signal >40, by selected Digital Health clusters

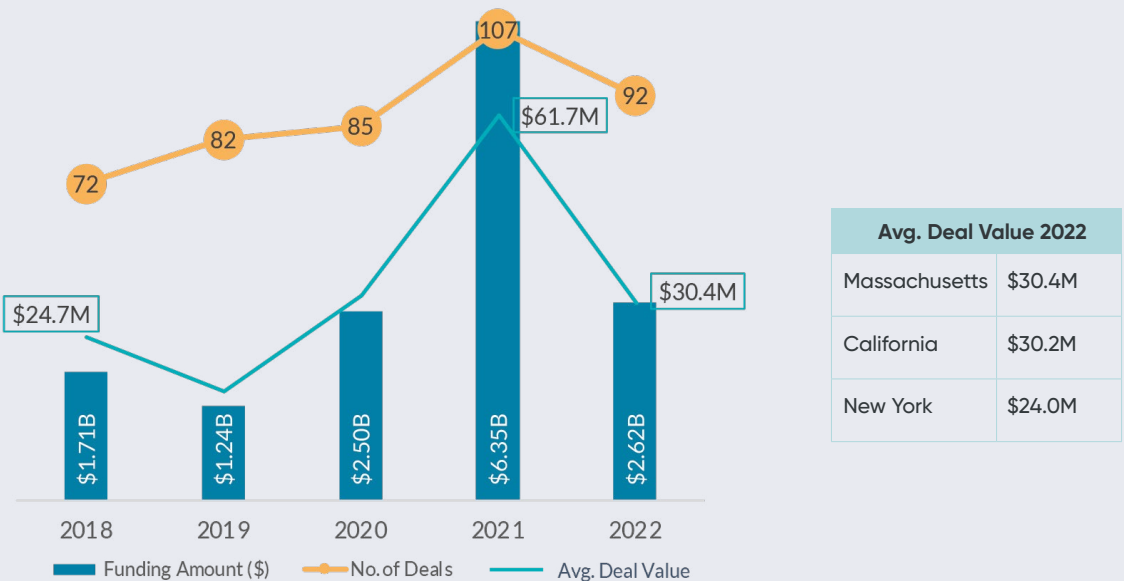


\*For more information on the Evidence Signal methodology and insights into Clinical Strength in Digital Health, download Galen Growth's Clinical Strength in Digital Health report at [www.GalenGrowth.com/Research](http://www.GalenGrowth.com/Research)

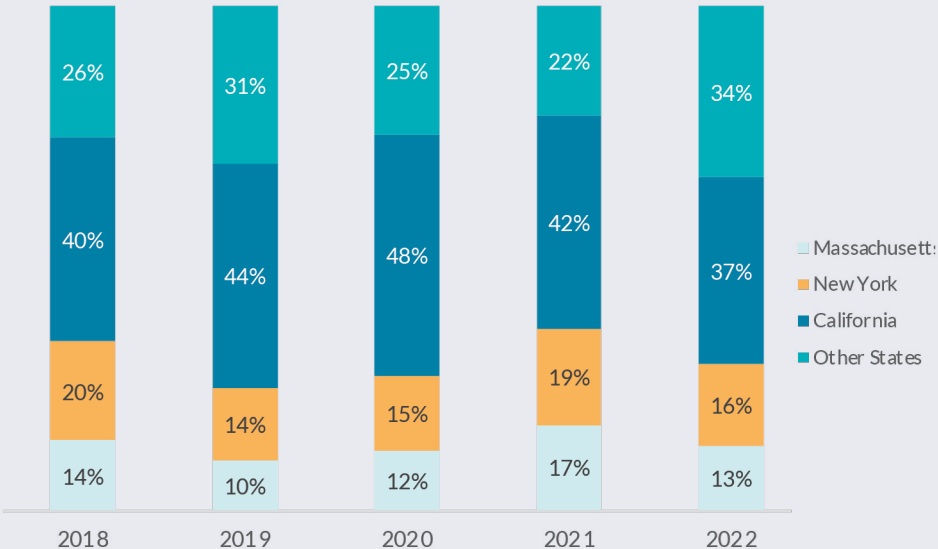
# Digital Health Funding History

2022 delivered \$2.62B of total venture funding for Digital Health in Massachusetts, down 59% YoY. The average deal value was down 50% in 2022, although it remained higher than both California and New York. Far outperforming the regional average, Massachusetts ventures were opportunistic when funding was plentiful in 2021, with 83% of Massachusetts ventures raising funding either in 2021 or 2022. Therefore, the ventures should be well-prepared to be resilient against the funding downturn.

YoY Massachusetts venture capital funding history



Venture funding share by key states in U.S. Digital Health

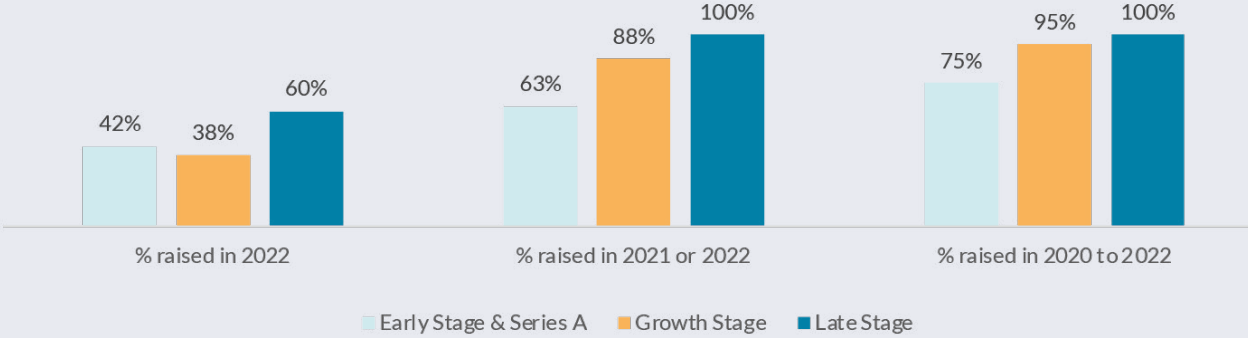


# Funding Strength

Share of Digital Health ventures with incorporation date after 2012 that have raised funding during 2021 or 2022



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

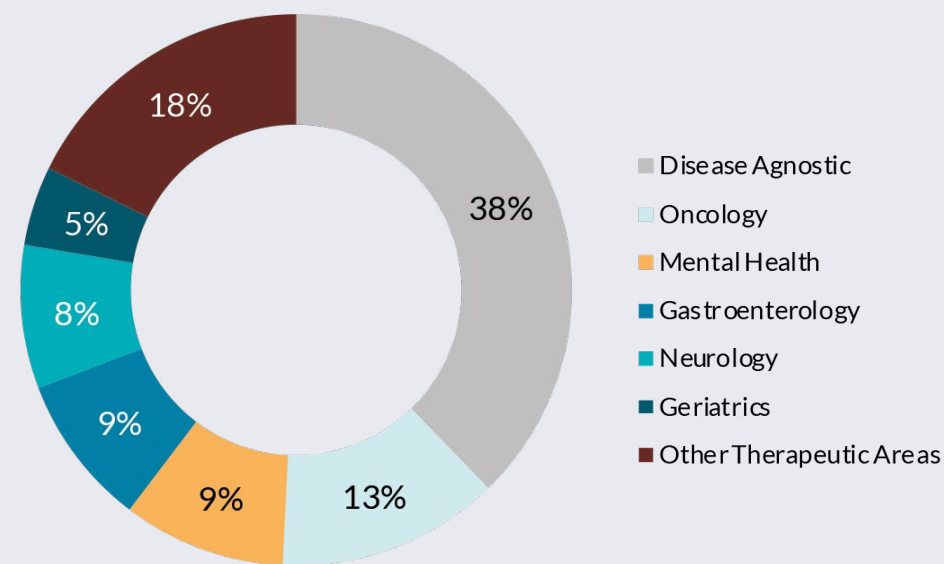


Note: includes only ventures with publicly disclosed funding events

# Venture Funding in Key Therapeutic Areas

Driven largely by a \$150M investment in BostonGene, Oncology moved into the top position of the most invested therapeutic areas in 2022 in Massachusetts, pushing Mental Health into second place.

Massachusetts Top-Funded Therapeutic Areas (2022)



Cumulative volume of ventures in Massachusetts

Therapeutic Areas	Highest Funded Venture 2022
Oncology \$395M	BostonGene <a href="http://www.healthtechalpha.com/venture/bostongene">www.healthtechalpha.com/venture/bostongene</a>
Mental Health \$289M	Empatica <a href="http://www.healthtechalpha.com/venture/empatica">www.healthtechalpha.com/venture/empatica</a>
Gastroenterology \$269M	Iterative Scopes <a href="http://www.healthtechalpha.com/venture/iterative-scopes">www.healthtechalpha.com/venture/iterative-scopes</a>
Neurology \$255M	Neumora Therapeutics <a href="http://www.healthtechalpha.com/venture/neumora-therapeutics">www.healthtechalpha.com/venture/neumora-therapeutics</a>
Geriatrics \$141M	ConcertoCare <a href="http://www.healthtechalpha.com/venture/concertocare">www.healthtechalpha.com/venture/concertocare</a>

# Top Ventures in Key Clusters

In Massachusetts, the largest Digital Health cluster is Health Management Solutions, with 55 ventures.

## 55 VENTURES | HEALTH MANAGEMENT SOLUTIONS



## 38 VENTURES | RESEARCH SOLUTIONS



## 35 VENTURES | MEDICAL DIAGNOSTICS



## 35 VENTURES | PATIENT SOLUTIONS



## 27 VENTURES | TELEMEDICINE



## Scope 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 300M datapoints and has a coverage exceeding 13,000 digital health ventures across the globe. For more information visit [www.healthtechalpha.com/](http://www.healthtechalpha.com/)

## Data Sourcing and Tracking

This report covers Digital Health ventures with incorporation date after 2002. The data is valid as of 03.01.2023.

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
- The venture's geographic location is determined by its initial country & city of incorporation
- Venture funding includes all stages up to but excluding the exit event
- Subsidiaries of large corporations (e.g. Microsoft) are excluded

## Taxonomy & Analytics

Taxonomy and Analytics presented in this report are proprietary to Galen Growth and are explained at <https://knowledge.healthtechalpha.com>



[galengrowth.com](http://galengrowth.com)

## 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 purposes.

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.



[finnpartners.com](http://finnpartners.com)