Global Healthcare Report Q2 2019

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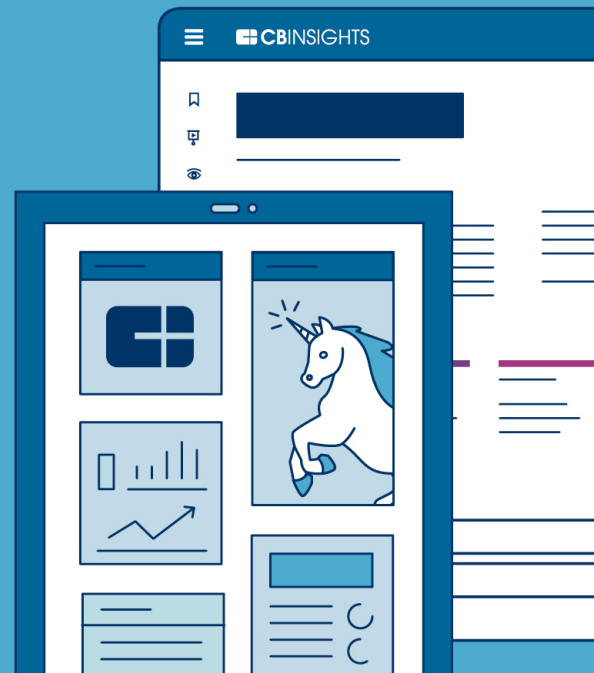

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Beti Cung, Corporate Strategy, Microsoft

Microsoft

FUTURE OF HEALTH

CBINSIGHTS

October 2-3, 2019

New York, NY

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- Most Active Digital Health Investors Q2’19
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Summary of findings

H1'19 saw a first half record in both deals and dollars: The amount invested in healthcare companies globally rose to $26.9B in H1'19 compared to $26.5B in H1'18. Over the same period, deals increased from 2,223 to 2,258.

The second quarter saw funding decline in Asia, North America, and Europe: Healthcare funding to Asia-based companies dropped 39% in Q2'19, while North America and Europe funding levels were also down.

Digital health funding is on the rise for the second straight quarter: Total digital health funding was $3.5B, up 23% versus Q1'19. There were 371 digital health deals compared to 354 in the first quarter.

Massachusetts takes over as the #2 US state for digital health deals: Massachusetts-based companies raised 29 rounds in Q2'19, taking over the number 2 spot from New York (24) but still far behind California (85 deals).

There are 38 VC-backed digital health unicorns worth a combined $90.7B: The cohort's total valuation in 2019 continues to grow as a result of continued mega-rounds to existing unicorns, such as Tempus and Doctolib, among others.

Q2'19 clinical trial deals went to startups expediting patient recruitment and enrollment: From recruitment marketplaces to provider tools, we continue to see increased offerings for the healthcare industry to revamp this area.

Hemp/CBD startups take a record 25% of cannabis funding: In Q2'19, 27 (25%) of the 107 cannabis deals were for startups with a hemp and/or CBD business component. That compares to only 11 (15%) of the 73 deals in Q2'18.

AI in healthcare startups and mental health & wellness startups reach funding highs in Q2'19: Healthcare AI companies raised $864M in the second quarter, led by a $200M round to Tempus in May. Mental health & wellness companies raised $321M across 26 deals, with large rounds going to Quartet and Talkspace.

The application of emerging technologies in genomics is picking up: New platforms such as telegenomics and blockchain-enabled networks are becoming more prevalent.

Digital therapeutics continue to provide new avenues of treatment for chronic disease management: This quarter has seen deals going to startups pursuing more specific health issues such as joint pain and respiratory disorders.

First Round Capital and Jumpstart Foundry participated in the most digital health rounds in Q2'19: Overlapping targets for the top investors included CureFit and SigTuple. Other leading digital health investors included Chiratae Ventures, Civilization Ventures, and Perceptive Advisers.

Note: This report focuses on equity rounds to VC-backed healthcare companies. This report does not cover companies funded solely by angels, private equity firms, or any debt, secondary, or line of credit transactions. All data is sourced from CB Insights.

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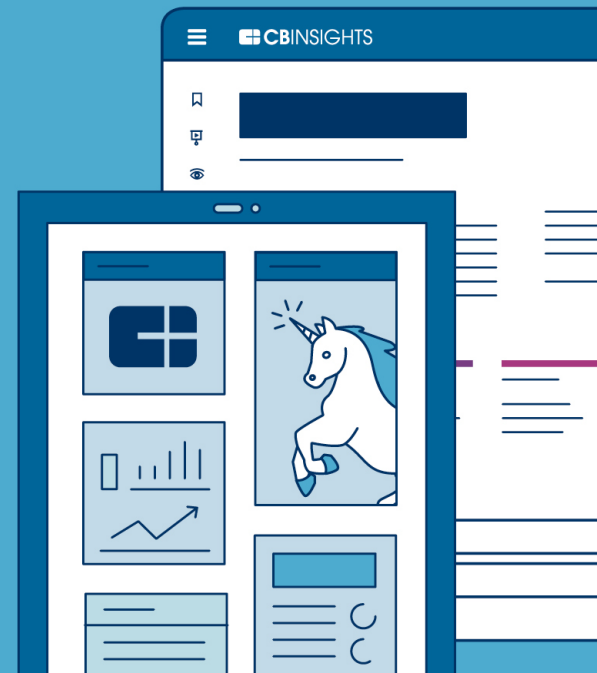
GET ALL THE DATA USED IN THIS REPORT

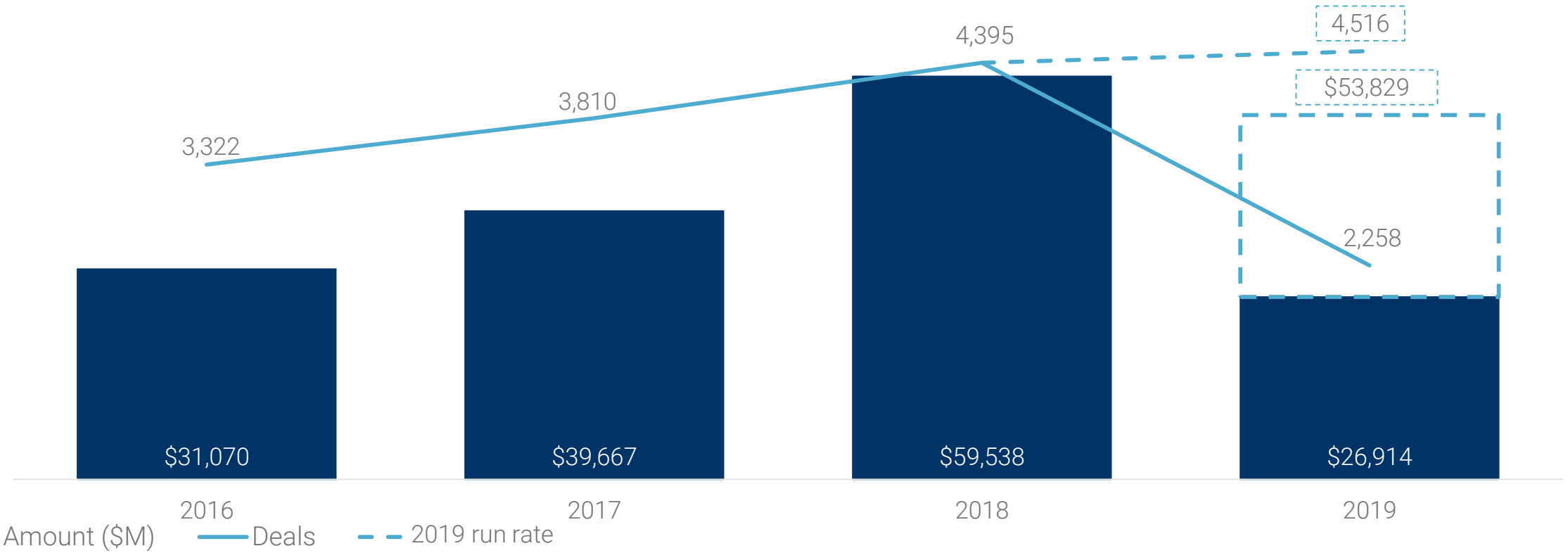
- Clinical Trials Collection
- Women's Health Collection
- Cannabis Collection
- Artificial Intelligence in Healthcare Collection
- Mental Health and Wellness Collection
- Genomics Collection
- Digital Therapeutics Collection



Global Healthcare Investment Trends

Deal count projected to reach all-time high in 2019

Annual global VC-backed healthcare deals and financing, 2016 – Q2'19 ($M)



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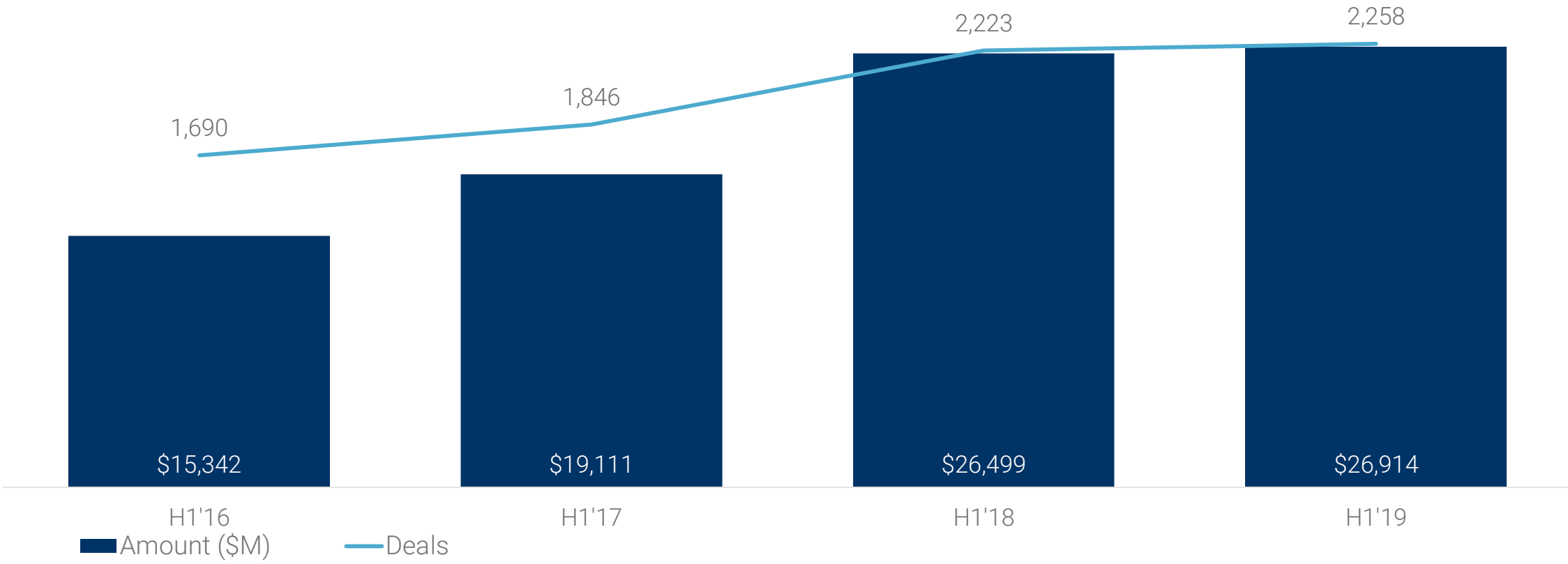
Deal count and funding projections are based on run rate for H2'19.

THE FIRST HALF OF 2019 SAW RECORD HIGHS

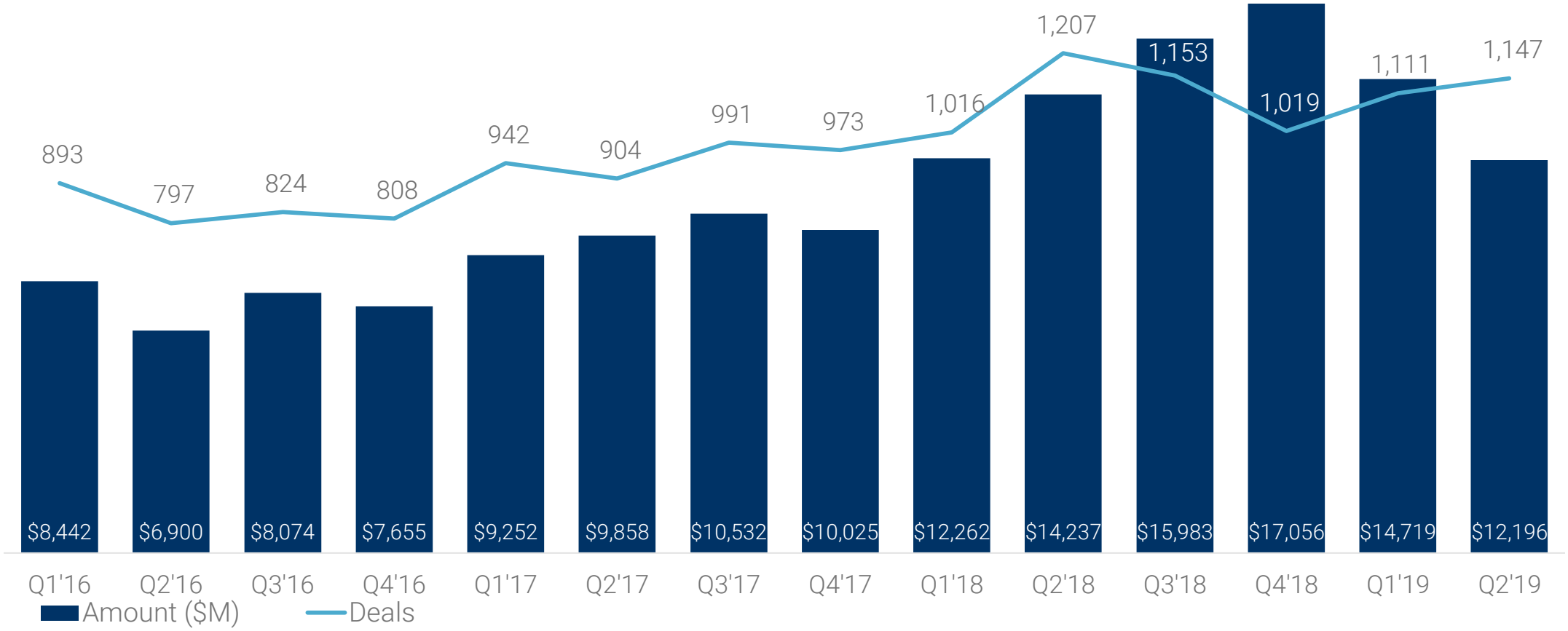
2019 is off to a record start in deals and dollars

First half global VC-backed healthcare deals and financing, 2016 – 2019 ($M)



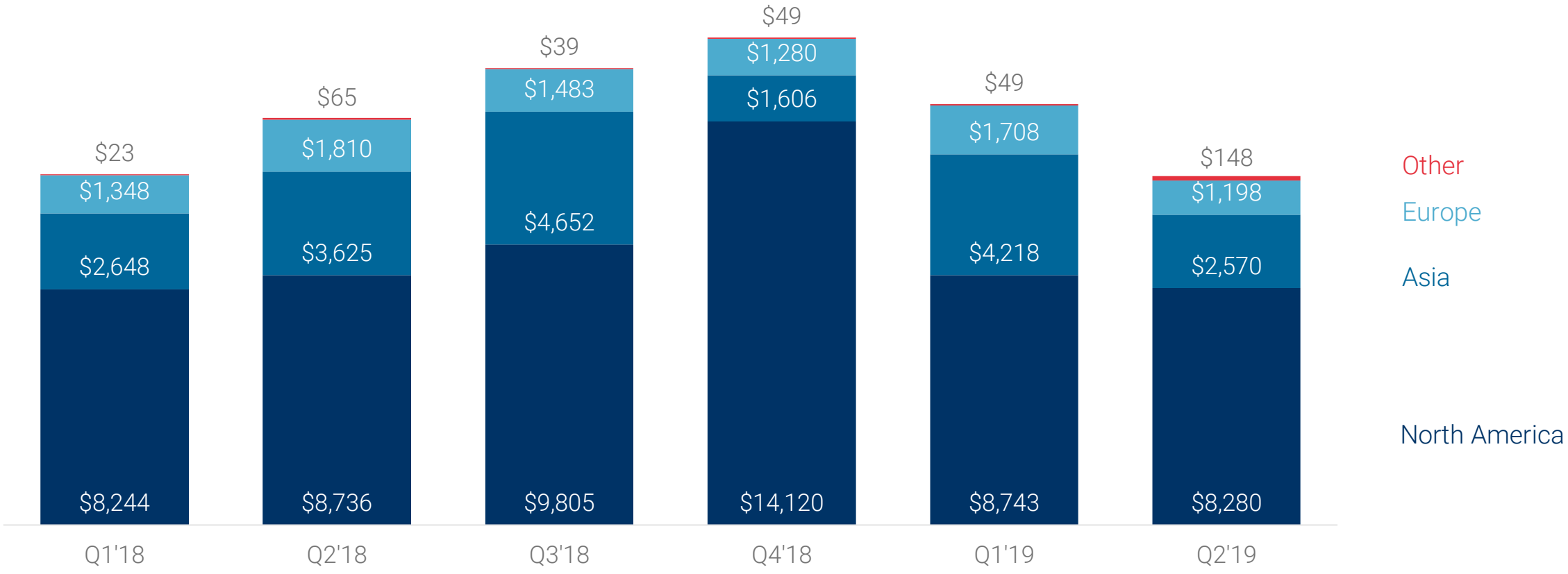
Global healthcare activity near record highs

Quarterly global VC-backed healthcare deals and financing, Q1'16 – Q2'19 ($M)



Asian funding fell 39% quarter-over-quarter

Global VC-backed healthcare funding by continent, Q1'18 – Q2'19, ($M)



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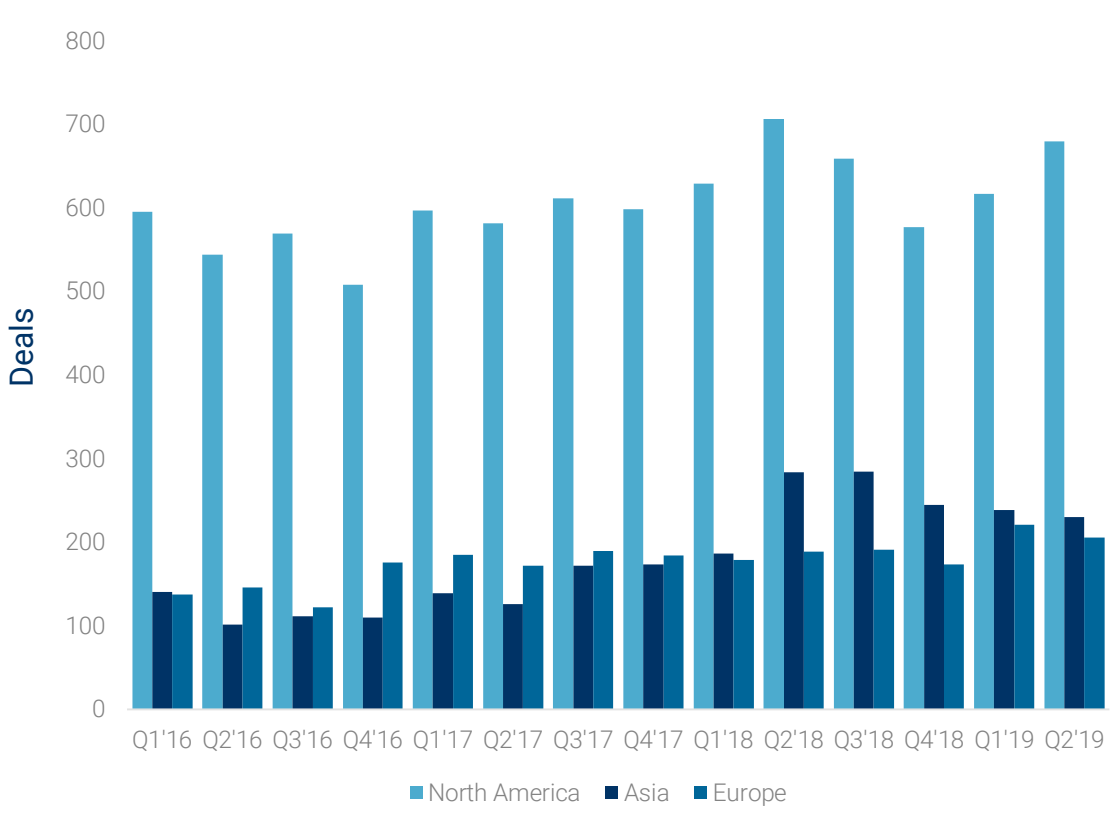
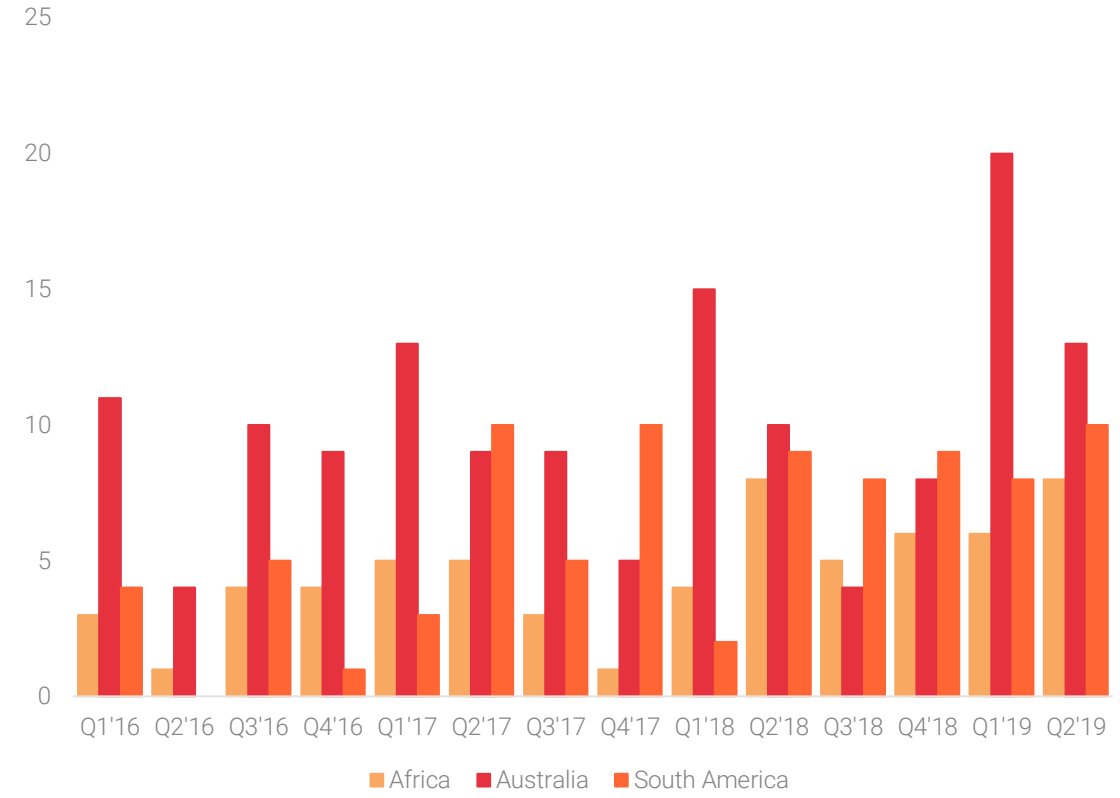
Other category includes Africa, South America, and Australia.

Mixed results for activity across continents

Global VC-backed healthcare deals by continent, Q1’18 – Q2’19





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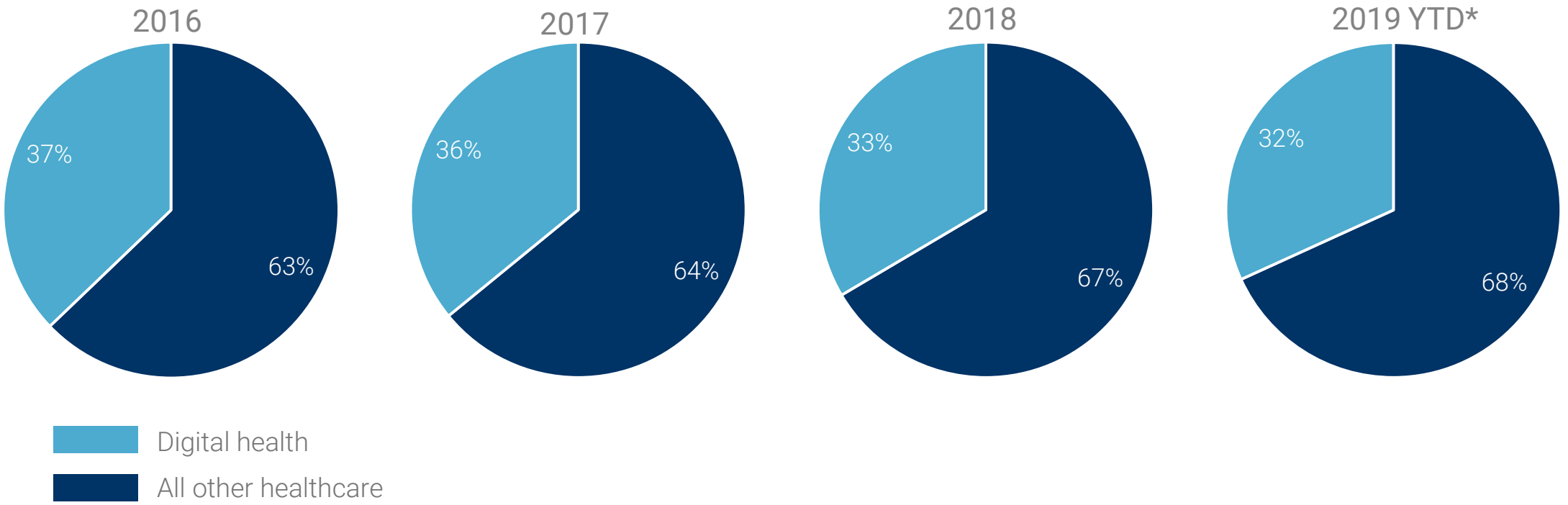
Note: Charts not to scale

Global Digital Health Investment Highlights

Digital health represents 32% of healthcare deals as pharma accounts for growing proportion of deal share

Annual global healthcare deals, 2016 – Q2'19

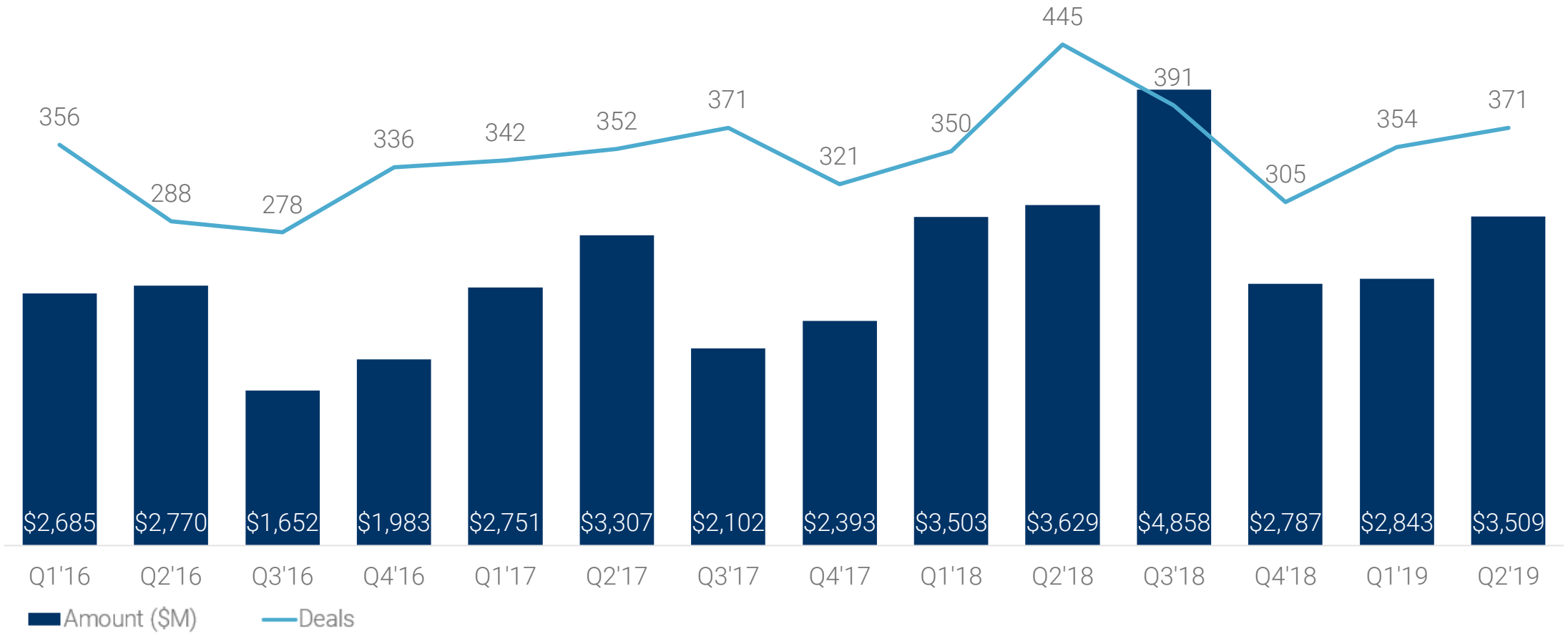


* Digital health accounted for 32% of deals in both Q1 and Q2

DIGITAL HEALTH DEALS PICKING UP

Digital health activity up for consecutive quarters

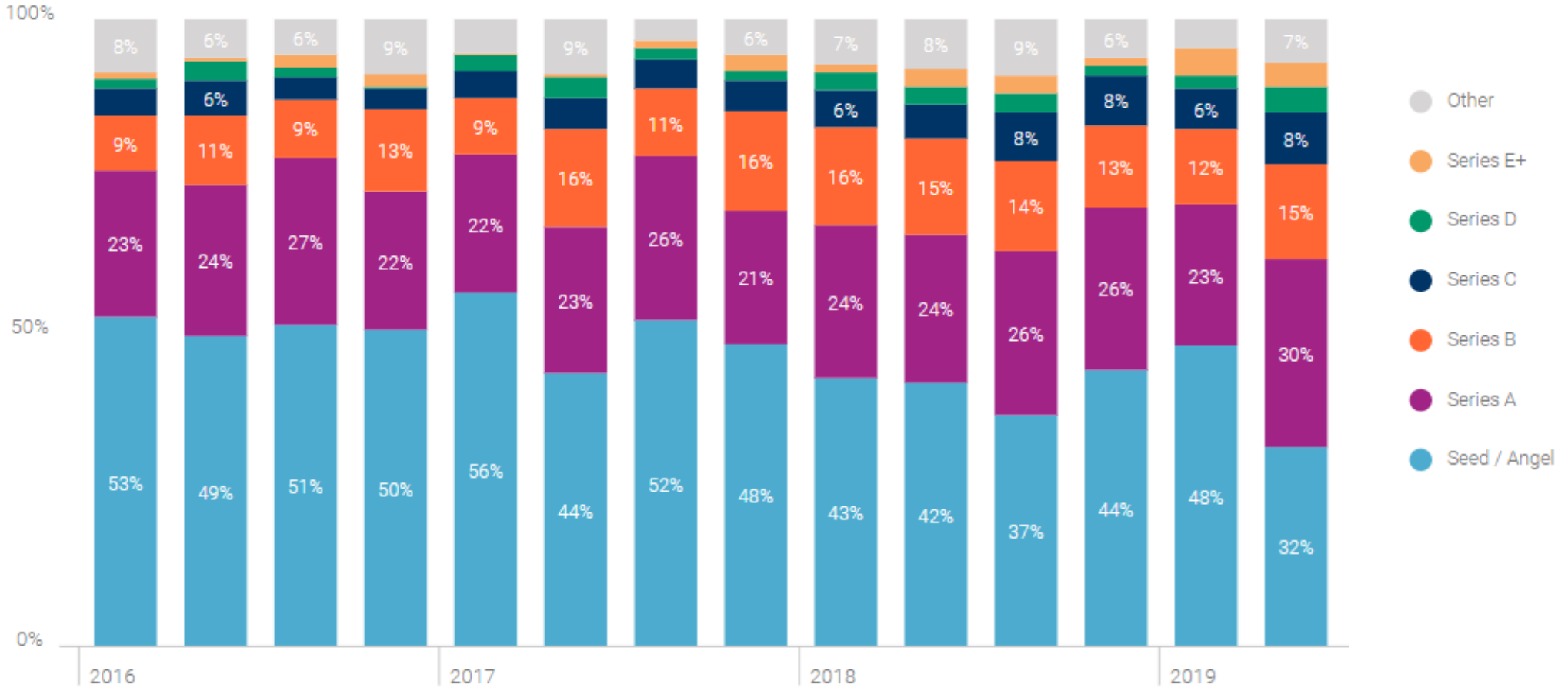
Quarterly global VC-backed digital health deals and financing, 2016 – Q2'19 ($M)



LATER-STAGE DEALS ARE HEATING UP

Later-stage deal share increasing as space matures

Quarterly global VC-backed digital health deals and financing, 2016 – Q2'19



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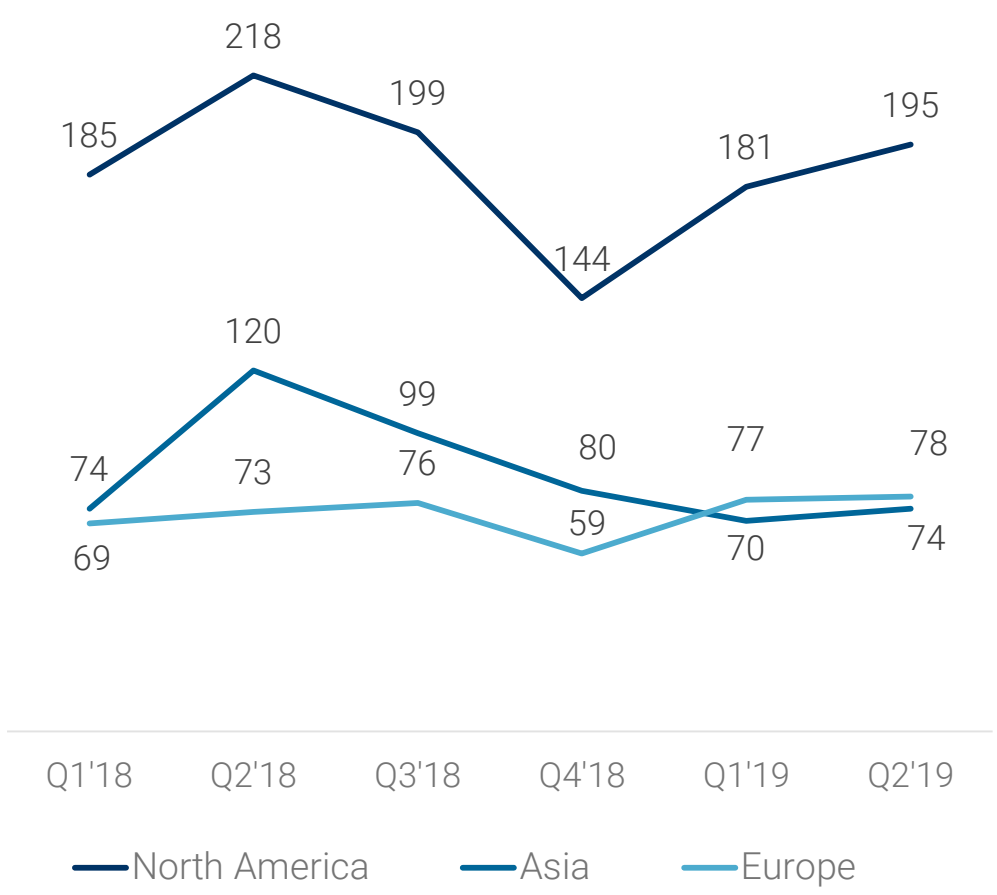
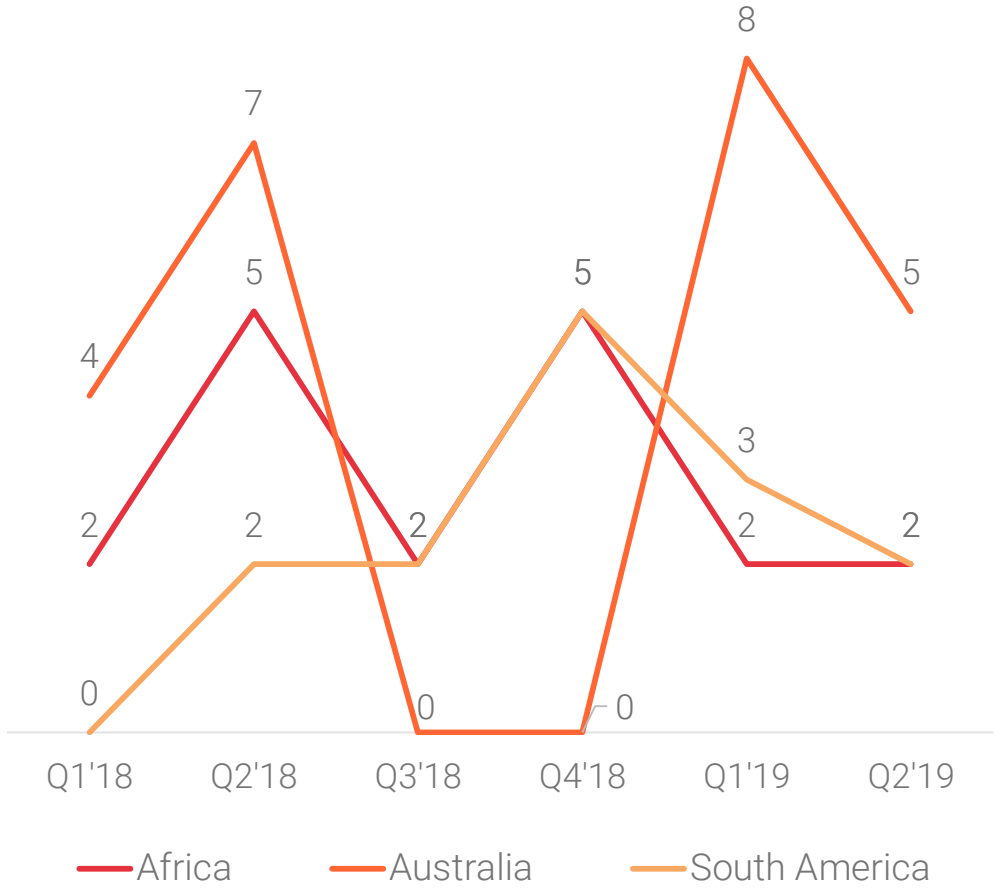
Later-stage deals defined as Series C or later.

North America furthers digital health dominance

Global VC-backed digital health deals by continent, Q1’18 – Q2’19





CBINSIGHTS Note: Charts not to scale

DIGITAL HEALTH DEAL COUNT BY COUNTRY

Japan, South Korea, and Sweden are among emerging countries in digital health

	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
Australia	5		5	5	7		4	5	4	7			8	4
Belgium						3	3		4		3			4
Brazil						7	3					4	3	
Canada	4	9	7	8	5	11	12	5	16	12	12	6	13	9
China	27	16	17	18	16	16	28	44	29	55	43	42	24	26
Finland				4			5		3					
France	4	3		6	9	6	7	12	9	9	9	8	14	13
Germany	7		4	8	8	7	16	11	7	5	15	9	4	6
India	24	14	11	16	14	18	16	11	17	21	18	5	8	18
Ireland		4		3	5			4	3					4
Israel	5	5	3		4	3	4	3	4	8	7	3	4	
Japan	4				4	3		5	8	15	13	11	8	9
Netherlands			3		3	3	3			5	6	4	3	
Russia							4	3	3	3		3	5	3
Singapore	3				5					5	6		5	4
South Korea	5	4	5		4	4	8	5	11	9	10	12	14	10
Spain				5	6	5	4		6	3		3		
Sweden	5	6	4	10	9	12		6	5	13	9	3	9	13
Switzerland							3							3
United Kingdom	13	7	13	19	20	16	22	19	24	16	20	15	25	17
United States	207	183	177	181	189	196	202	149	169	205	185	136	168	186

3 Deals — 50+ Deals

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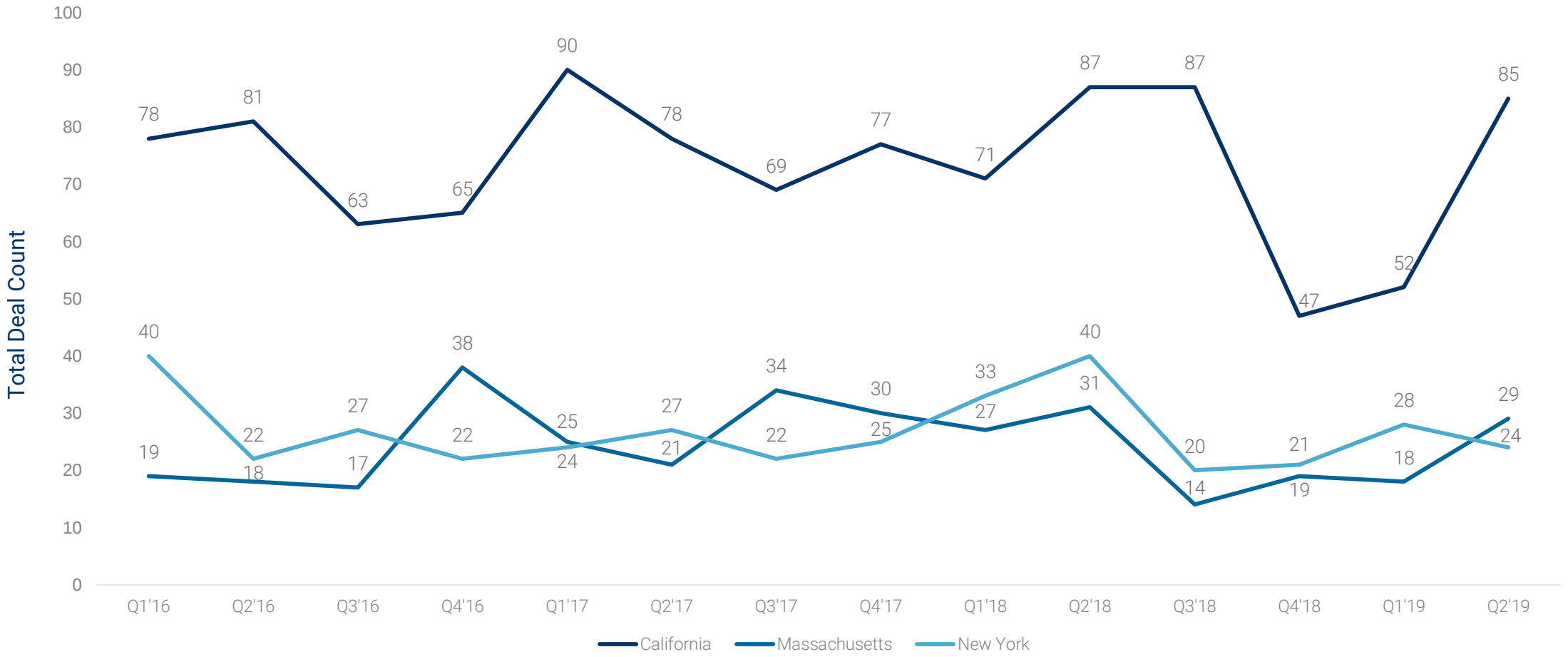
Includes countries with 20+ digital health deals since 2016.

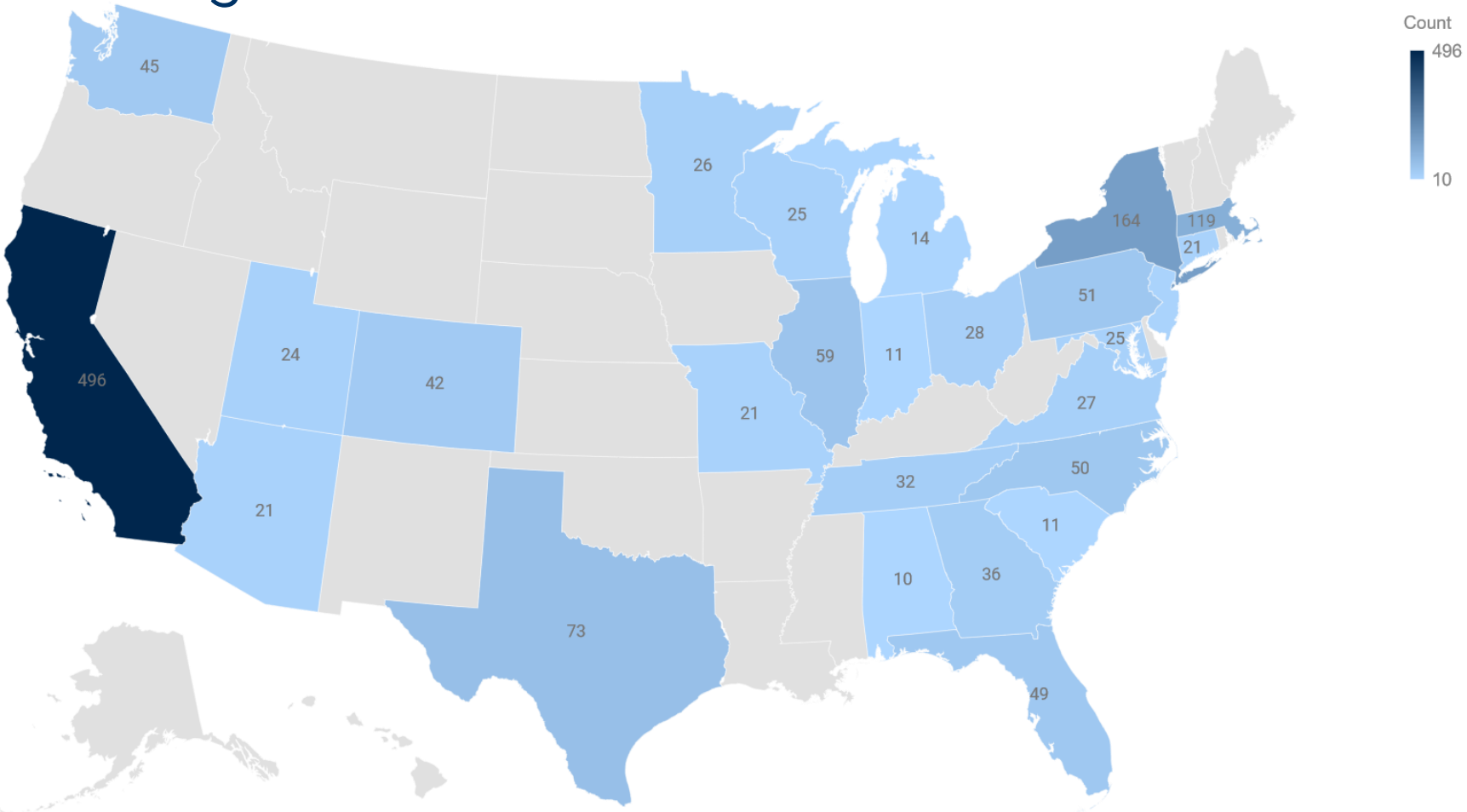
MASSACHUSETTS OVERTAKES NEW YORK FOR THE #2 SPOT

California deals bounce back after two down quarters

VC-backed digital health deals by state, Q1'16 – Q2'19



Illinois, Pennsylvania, North Carolina among under-appreciated digital health hubs



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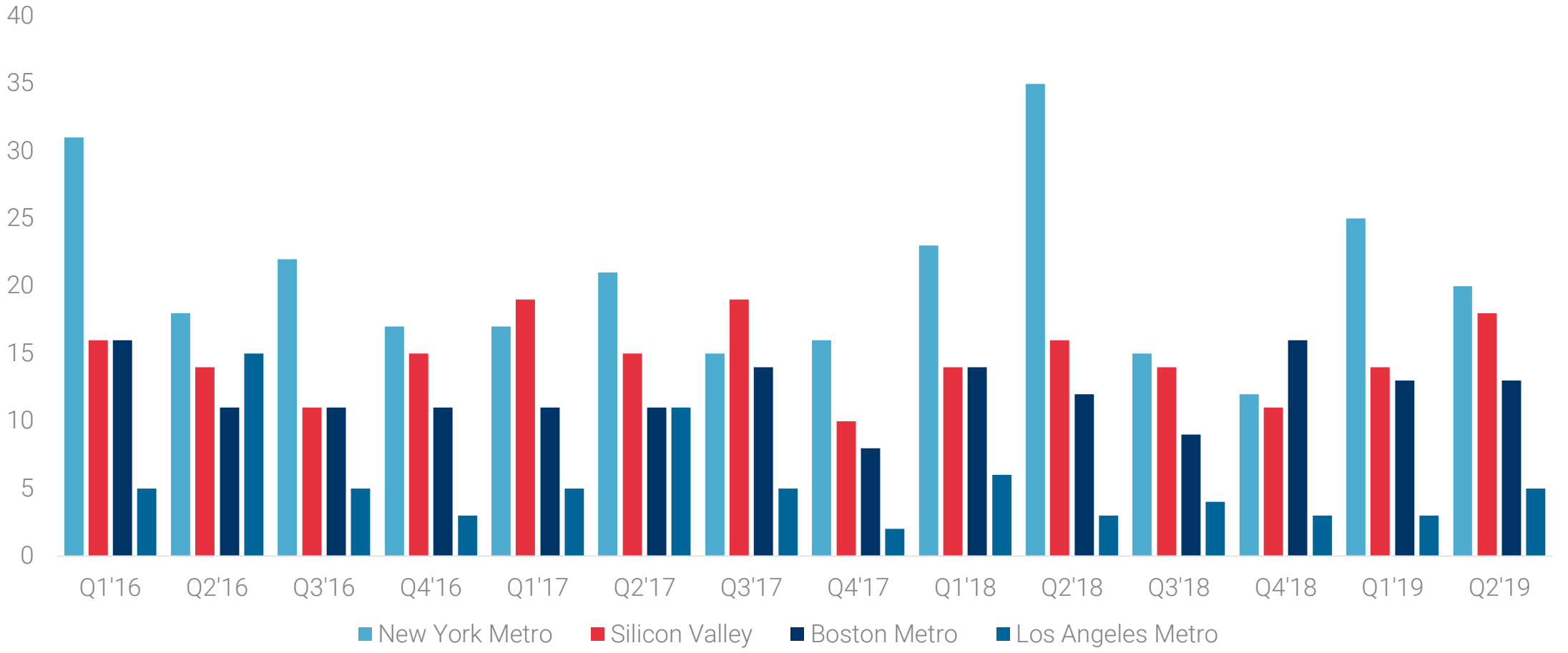
Includes unique companies that have raised funding since 2016. Grey indicates states with fewer than 10 startups.

New York remains hottest metro area for digital health

Top 4 metro areas for digital health deals, Q1’16 – Q2’19



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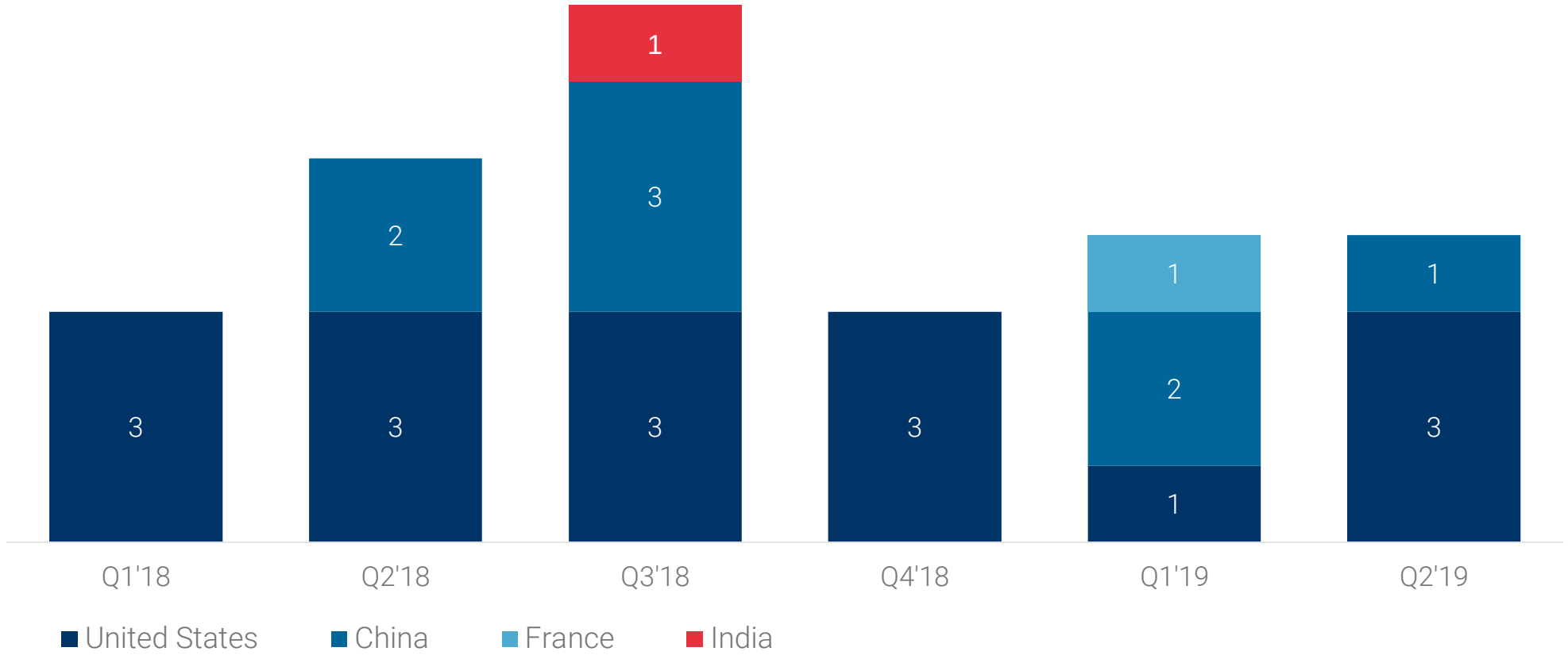
Includes unique financing rounds completed since 2016.

DIGITAL HEALTH MEGA-ROUNDS MATCH Q1'19

Q2'19: 4 digital health mega-rounds total $609M

Global number of digital health mega-rounds ($100M+), Q1'18 – Q2'19



Top 10 global digital health deals in Q2'19

4 of the top deals to VC-backed digital health companies were mega-rounds ($100M+)

Company	Deal Date // Amount Raised	Total Disclosed Funding	Select Investors	Description
Collective Health	Jun'19 // $205M	$434M	DFJ Growth Fund, Founders Fund, G Squared, Google Ventures, Maverick Ventures, New Enterprise Associates, SoftBank Group, Sun Life Financial	Provides employers with an integrated software platform that allows them to administer their benefits plans, take better care of their people, and optimize their investments all in one place
TEMPUS	May'19 // $200M	$520M ($3.1B Valuation)	Baillie Gifford, Franklin Templeton, New Enterprise Associates, Novo Holdings, Revolution, T. Rowe Price	Gathers and analyzes clinical and molecular data at scale for precision medicine
Encoded Therapeutics	Jun'19 // $104M	$104M	Alexandria Venture Investments, ARCH Venture Partners, Boxer Capital, Illumina Ventures, Jlabs, Menlo Ventures, Venrock	Gene therapy company utilizing genomic sequencing for drug discovery
	Jun'19 // $100M	$155M	Cenova Ventures, IDG Capital, Matrix Partners China, Source Code Capital, Vision Plus Capital, Welight Capital	Weimai is a platform that provides medical services, including online consulting, payment, and appointment scheduling
Docplanner Group	May'19 // $90M	$137M	Enern, Goldman Sachs, One Peak Partners, Piton Capital, Point Nine Capital, RTAventures, Target Global	Platform connecting patients with healthcare professionals

Top 10 global digital health deals in Q2'19 (cont.)

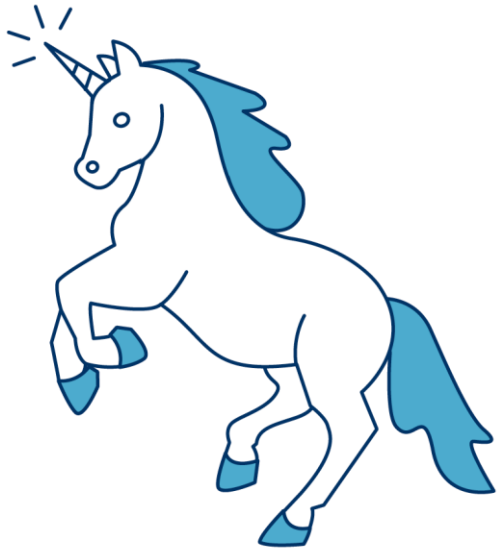
Company	Deal Date // Amount Raised	Total Disclosed Funding	Select Investors	Description
BHE	May'19 // $78M	$78M	Leerink Transformation Partners, Silversmith Capital Partners	Health analytics company that assesses the value of medical technologies
cure.fit	May'19 // $75M	$299M ($520M Valuation)	Accel, Axis Bank, Castle Investments, Epiq Capital, HDFC Bank, InnoVen Capital, Oaktree Capital, Unilever Ventures	Healthcare and fitness start-up that offers products and solutions for preventive and curative healthcare, combining engagement, coaching, and delivery through online and offline channels
MORE Health®	Apr'19 // $74M	$141M	Agricultural Bank of China, China Pacific Insurance, CITIC Capital, Xiran Capital	Mobile healthcare platform that integrates data collection, data analysis, health management solutions, health behavioral intervention, and value-added services
omada	Jun'19 // $73M	$201M	Andreessen Horowitz, Cigna Ventures, Kaiser Permanente Ventures, Norwest Venture Partners, Sanofi Ventures, Wellington Management	Digital behavioral medicine company that helps people manage chronic disease
JAWBONE® HEALTH	May'19 // $65M	$65M	Meraas, Mindset Ventures, Polymath Ventures, Refactor Capital, SignalFire	Utilizes wearable technology to monitor, manage, and diagnose lifestyle diseases

GLOBALLY THERE ARE

38 HEALTHCARE UNICORNS

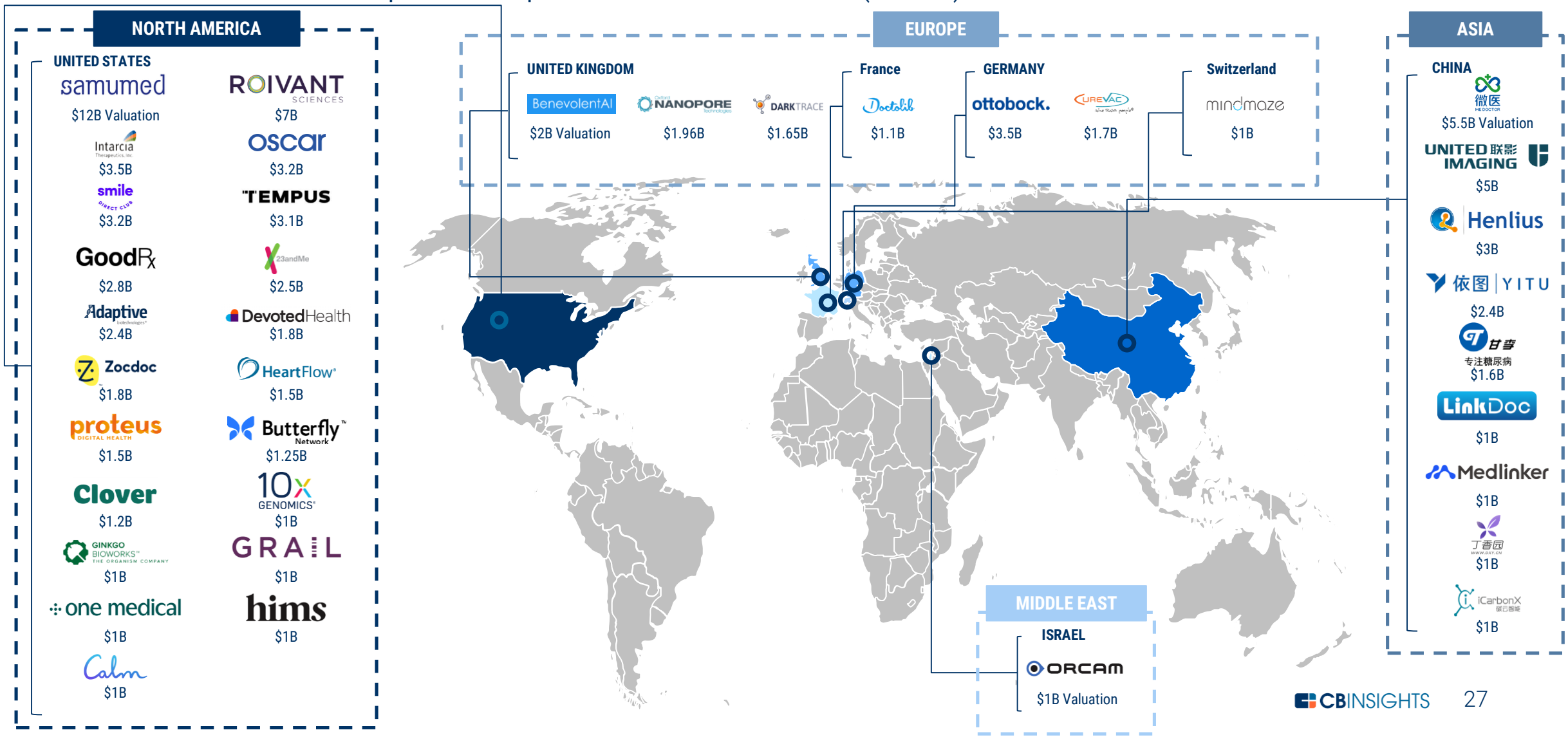
VALUED, IN AGGREGATE, AT

$90.7 BILLION



38 healthcare unicorns valued at $90.7B

Global VC-backed health companies with a private market valuation of $1B+ (7/26/19)



Q2’19 Healthcare Industry Highlights

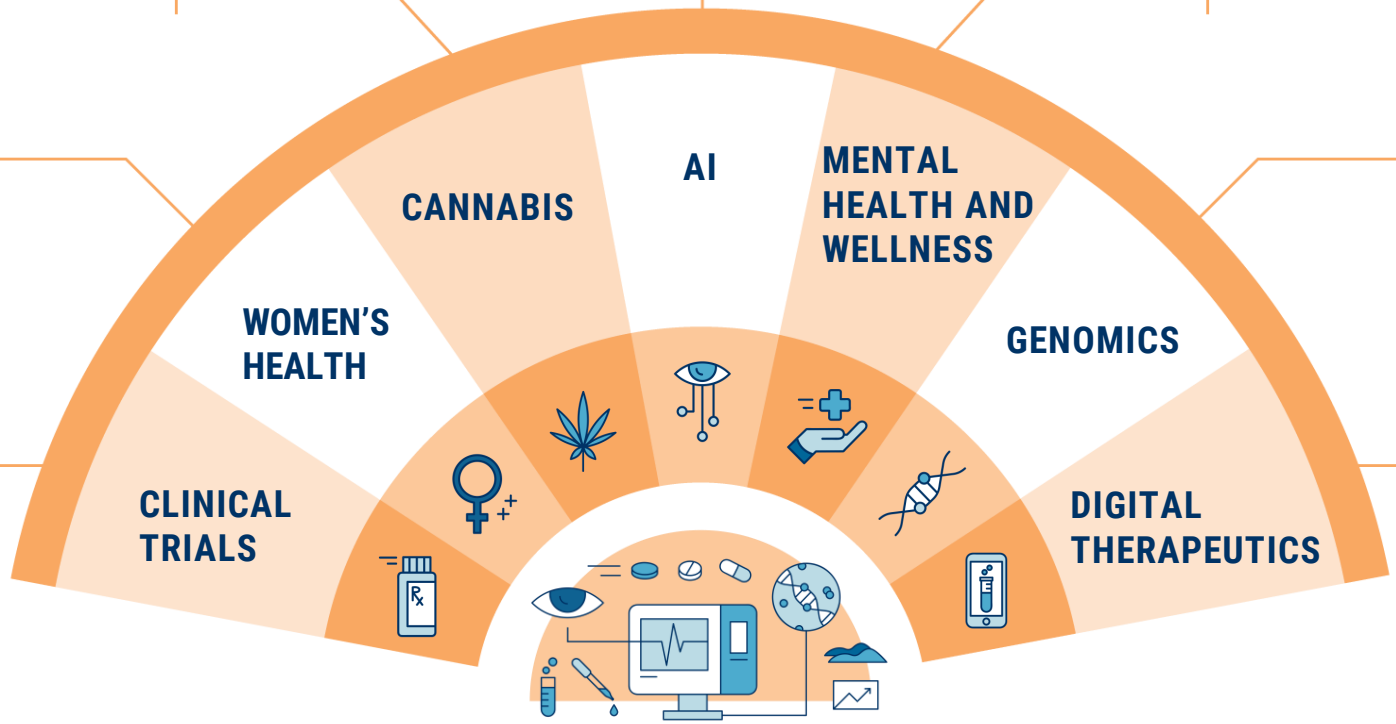
Companies that participate in or service businesses within the growing legal cannabis industry

Companies selling AI SaaS to healthcare clients or using AI to develop products for the healthcare market

Companies applying technology to problems of emotional, psychological, and social well-being

Startups focused specifically on providing healthcare products and services to women

Companies involved in the capture, sequencing, and/or analysis of genetic data



Companies working to improve clinical trial operations from drug R&D, study design, patient recruitment, and adherence & compliance

Tech-enabled out-of-hospital solutions that either complement or replace standard medical treatment for a condition

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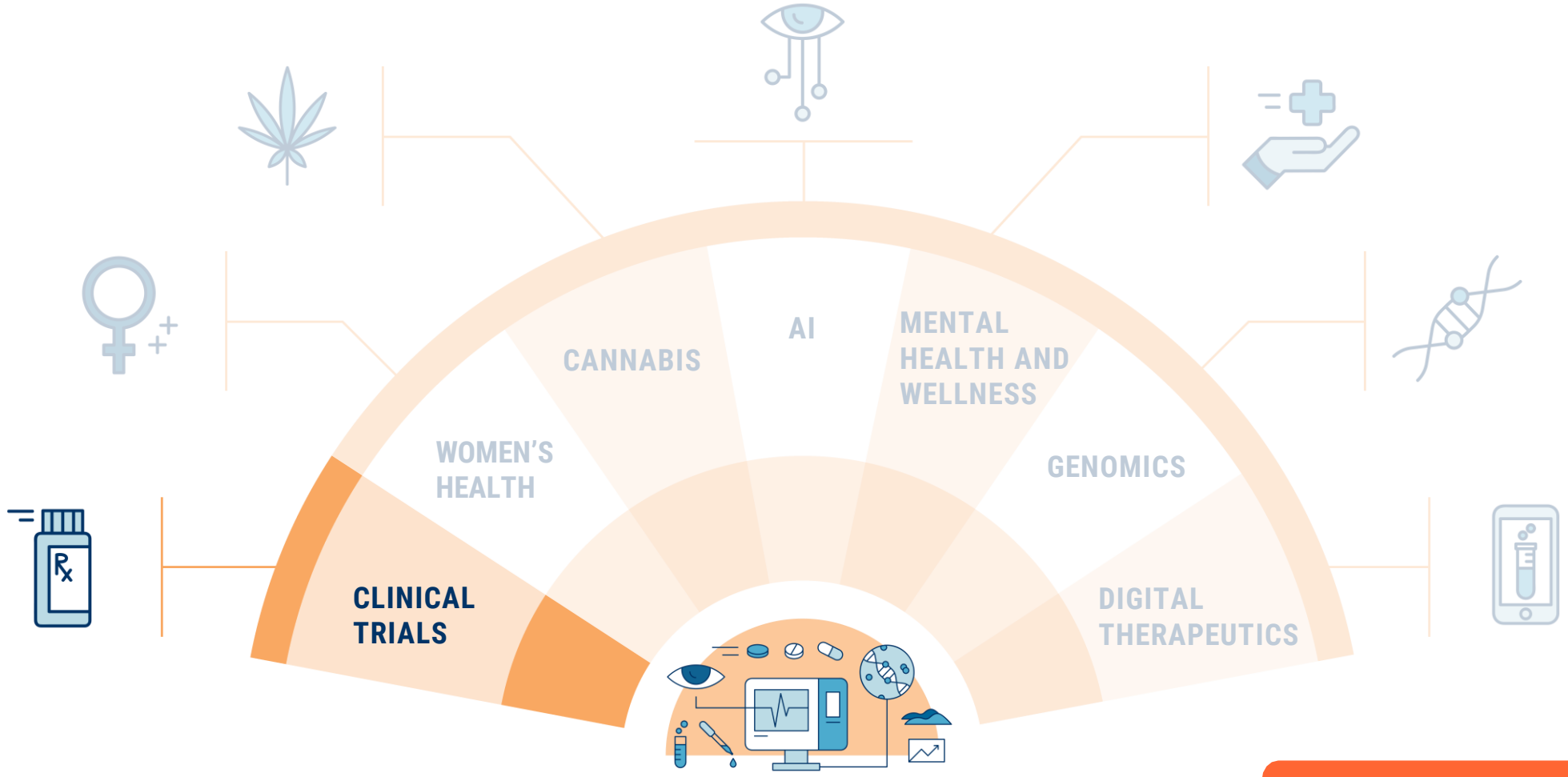
HEALTHCARE Q2 2019



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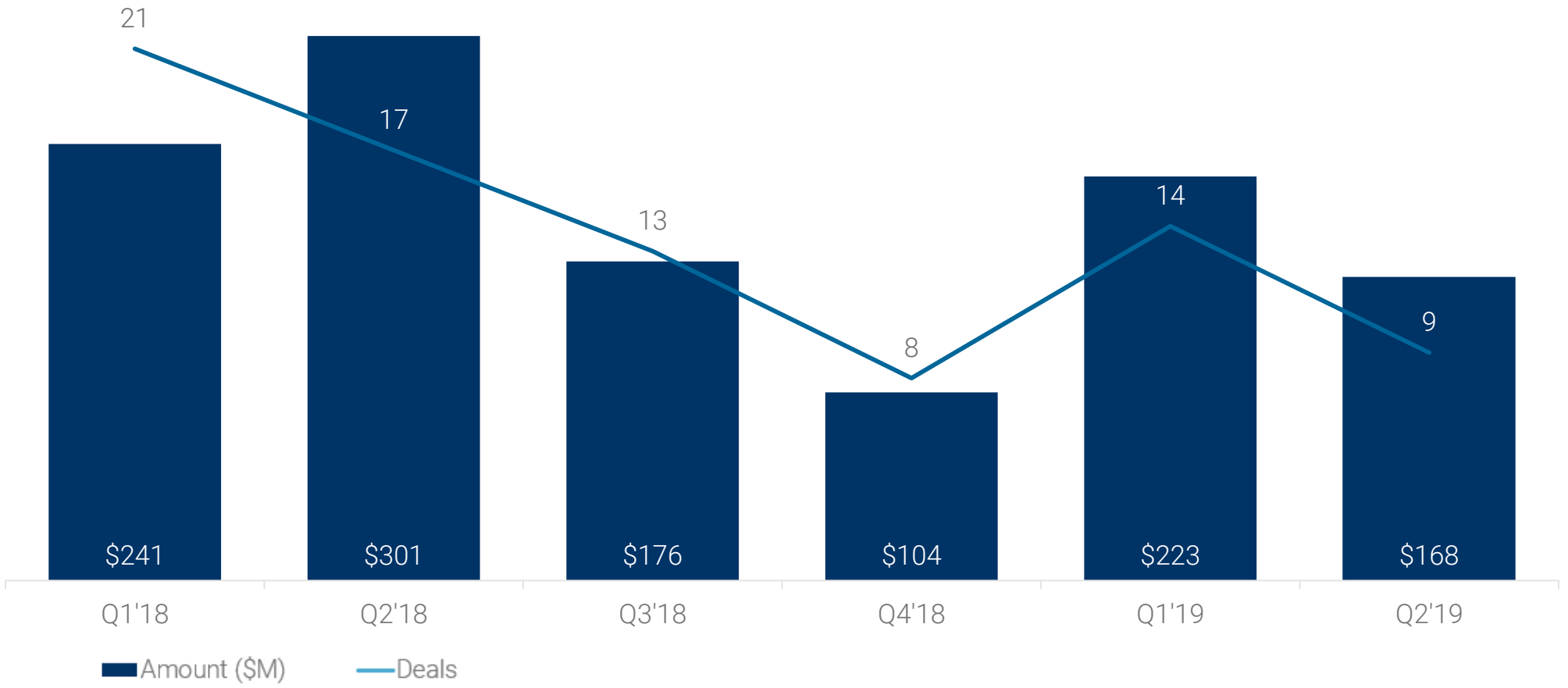
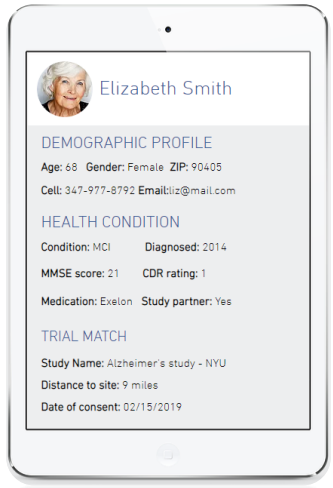
Clinical Trials Collection

Clinical trials tech funding dips below highs

VC-backed deals and financing to clinical trials tech startups, Q1’18 – Q2’19 ($M)



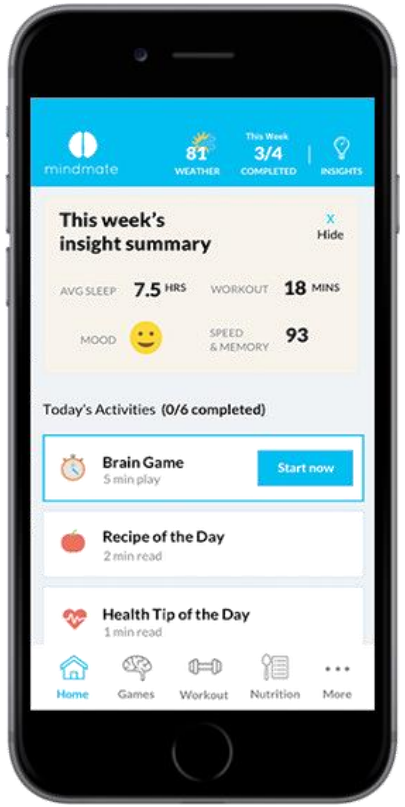
Expediting clinical trials through **faster patient recruitment**



Q2'19 Funding: $2.57M Series A

Investor: One Way Ventures

UK-based **Citruslabs** develops an end-to-end solution for clinical trials – specifically with patient recruitment and retention. It operates a health-app network with pre-screened candidates, facilitating a faster process for study investigators. It has partnerships with NYU, the UK's NHS, and the University of Glasgow.



Its mobile app, called **MindMate,** is specifically for the baby boomer generation in order to increase their participation in clinical trials.

It offers content around their daily routine such as physical exercises, nutrition, and brain games. **Pre-screening** is also done through the app.

SubjectWell

Q2'19 Funding

$10M Series A

SubjectWell provides patient recruitment services for trial sites, pharmaceutical companies, and clinical research organizations (CROs). It works to accelerate patient enrollment for trials through its marketplace of potential patients.

It provides this service through education campaigns and telephone-based prescreening. Clients pay for this service only when patients randomize into trials.

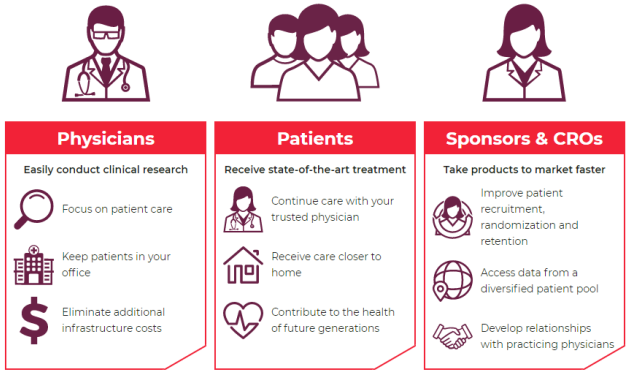
Select investors

Geekdom Fund, Healthy Ventures, Windham Venture Partners

Bringing more options **directly to providers or study sponsors**

EHR DATA

ELLIGO HEALTH RESEARCH



Q2'19 funding: $20M Series C

Select investors: Hatteras Venture Partners, Noro-Moseley Partners, Piper Jaffray

Elligo Health Research develops software that physicians and study sponsors can use to bring clinical research to eligible patients faster, using EHR-connected data. It also aims to make this platform available to more local physicians in order to cater to a wider population of patients.

PATHOLOGY

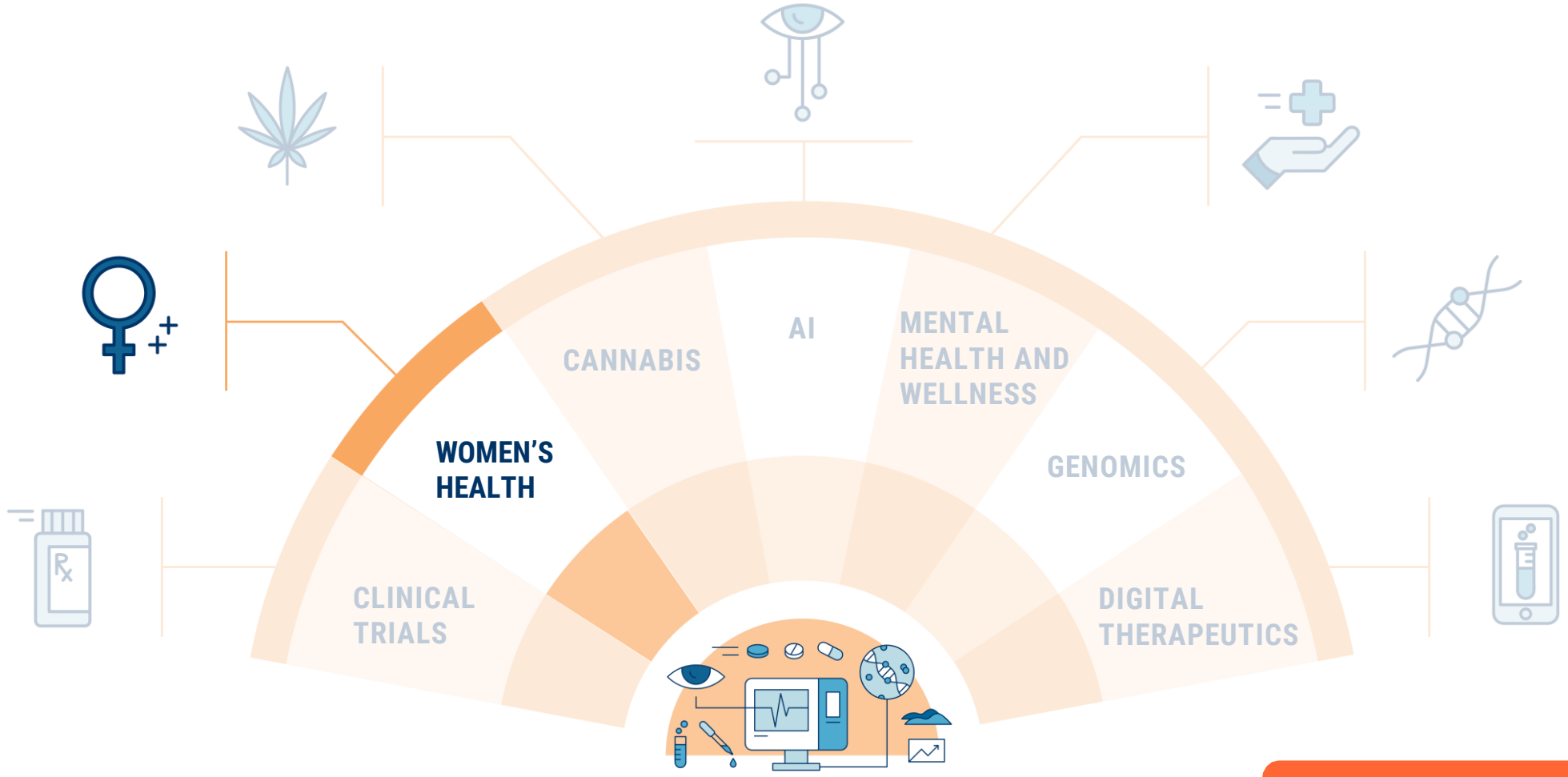
deep lens

Q2'19 funding: $14M Series A

Select investors: Sierra Ventures, Northpond Ventures, Tamarind Hill

Deep Lens uses an AI-based digital pathology platform – known as *Deep Lens VIPER* – to help care teams find and recruit eligible patients for clinical trials. Its goal is to identify them at the time of diagnosis, which differs from the traditional method of patient recruitment.

HEALTHCARE Q2 2019



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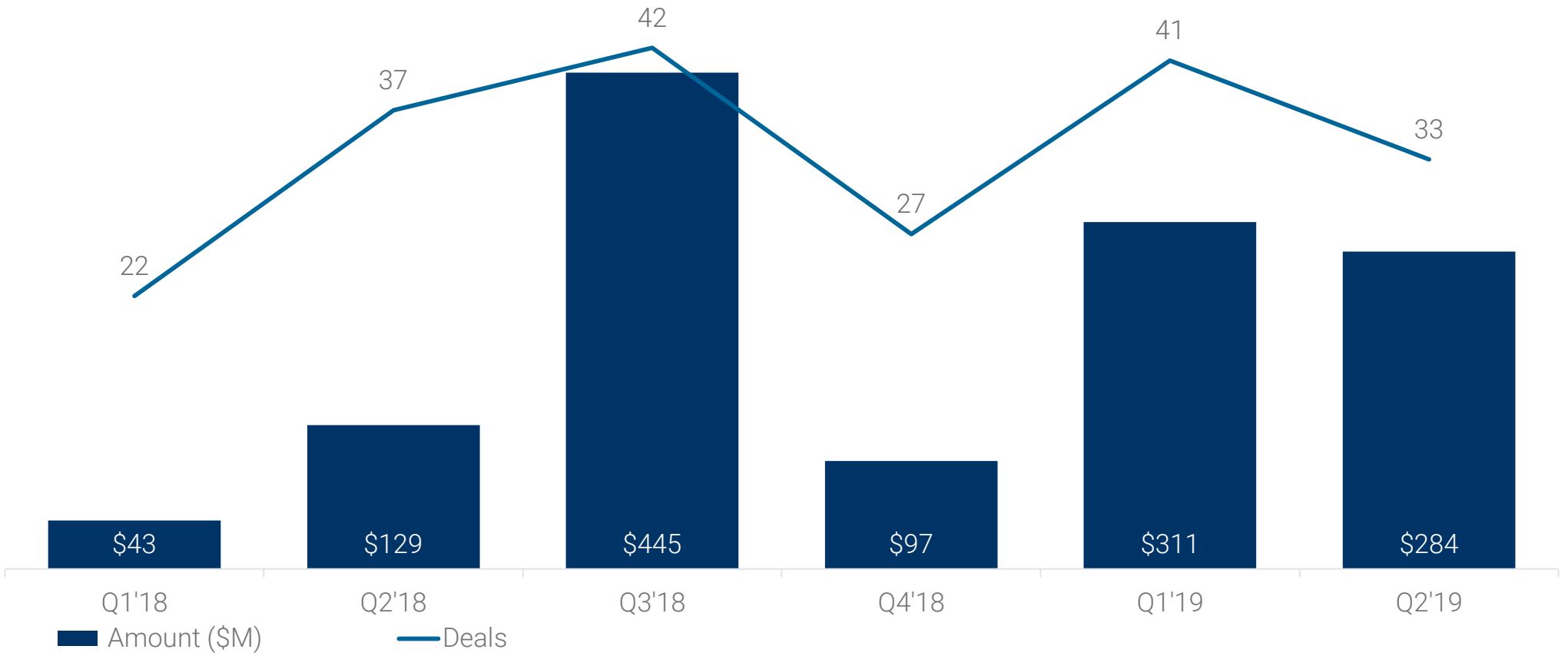
Women's Health Collection

Women's health deals continue strong in 2019

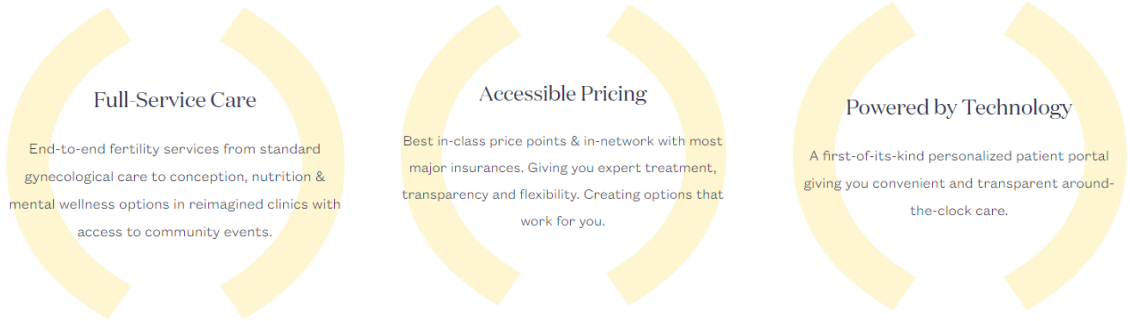
VC-backed deals and financing to women's health startups, Q1'18 – Q2'19 ($M)



Disrupting traditional fertility services with **tech-enabled platforms**

Fertility + wellness

kindbody



Q2'19 funding: $15M Series A

Select investors: RRE Ventures, Green D Ventures, Trail Mix Ventures

Kindbody provides fertility services such as egg freezing and IVF (in-vitro fertilization) along with an emphasis on wellness. It offers an accessible pricing structure and a tech layer.

Fertility cryostorage

TMRW

Q2'19 funding: $12M Series A

Select investors: Dubin & Co., Special Situations Funds

TMRW is a robotic cryo-management platform for IVF. It aims to use robotic process automation (RPA) for reducing risk of misdirected eggs/embryos while also automating environmental health checks for these stored cells.

HIGHLIGHT #1 (CONT'D) ACCESSIBLE FERTILITY TESTS CUT OUT EXPENSIVE CLINIC VISITS

Modern Fertility

Q2'19 funding

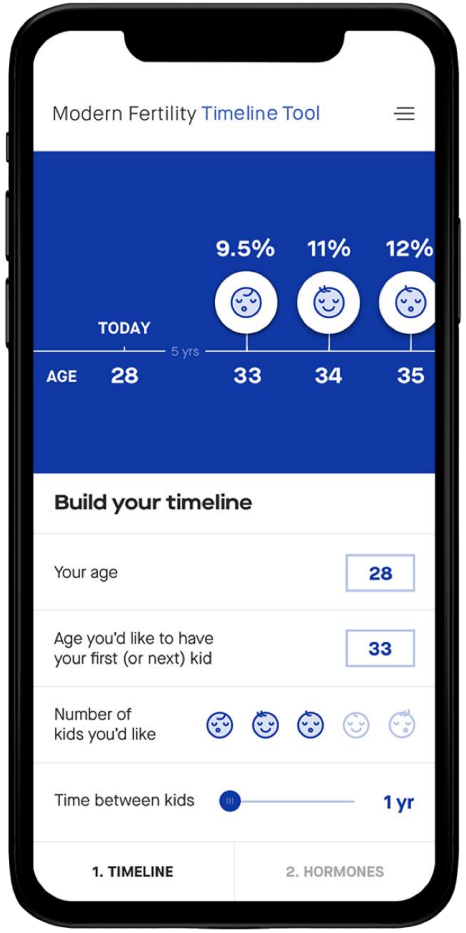
$15M Series A

Modern Fertility develops a fertility hormone test that measures women's AMH (Anti-Müllerian hormone) levels – a hormone marker for measuring ovarian reserve. Aside from AMH, it also measures other hormone levels to provide a more comprehensive window into their fertility.

It has also added a *Timeline Tool*, which allows users to customize their individual plans for having kids. The platform provides a fertility score (*FEMI beta*) based on their age, hormone levels, and health information that they can keep track of over time.

Select investors

Forerunner Ventures, Y Combinator, First Round Capital, BoxGroup, Union Square Ventures



Modern Fertility	Fertility clinic
$159	$1,500
A fertility hormone test, customized based on your birth control.	A fertility hormone test, customized based on your birth control.
Physician reviewed reports in human speak, available in your personalized fertility dashboard.	—
Access to our Modern Women community (like a text thread with your friends).	—
A 1:1 conversation with a fertility nurse (if you'd like).	—
Invite to our weekly Webinar ("Egginar") to get all your questions answered.	—

HIGHLIGHT #2 MATERNAL CARE

Maternal care gets a makeover with **connected devices**

BREASTFEEDING

elvie

Q2'19 funding: $42M Series B round

Select investors: Impact Ventures UK, IPGL, Octopus Ventures

Focus: UK-based **Elvie** develops smart devices connected to mobile apps for new mothers. Its wearable breast pump launched in Sept 2018. Elvie also develops a Kegel trainer for weakened pelvic floor muscles.

FETAL MONITORING

Raydiant Oximetry, Inc.

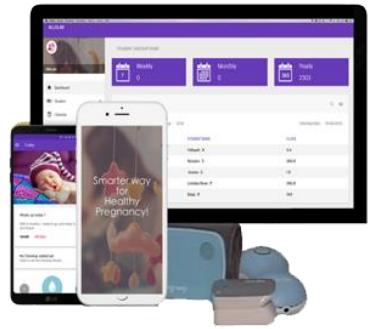
Q2'19 funding: $2.48M financing round

Select investors: Undisclosed

Focus: Raydiant Oximetry develops diagnostics technology to improve fetal monitoring during pregnancy in order to provide more care and support. It received an FDA Breakthrough Device status in October 2018 for this noninvasive technology that monitors the baby's oxygenation.

PREGNANCY TRACKERS

JioVio HealthCare



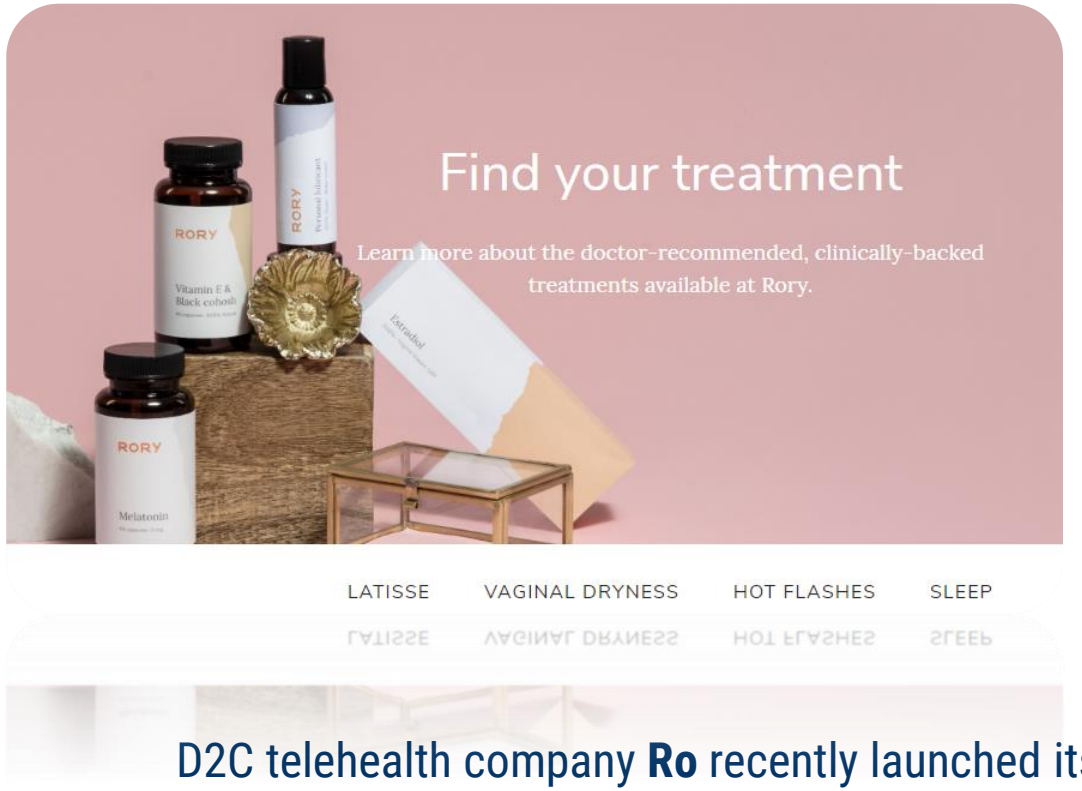
Q2'19 funding: $70K seed round

Select investors: Sustainable Health Initiative

Focus: India-based JioVio provides maternal care through its IoT devices combined with telemedicine software. The company currently offers 6 products that target different aspects of navigating maternal and child care along with general health.

HIGHLIGHT #3 D2C HEALTH

The **direct-to-consumer (D2C) strategy** makes a splash in women's health



Rory Tackles a Missed Opportunity in Telehealth—Treating Menopause

3/20/2019

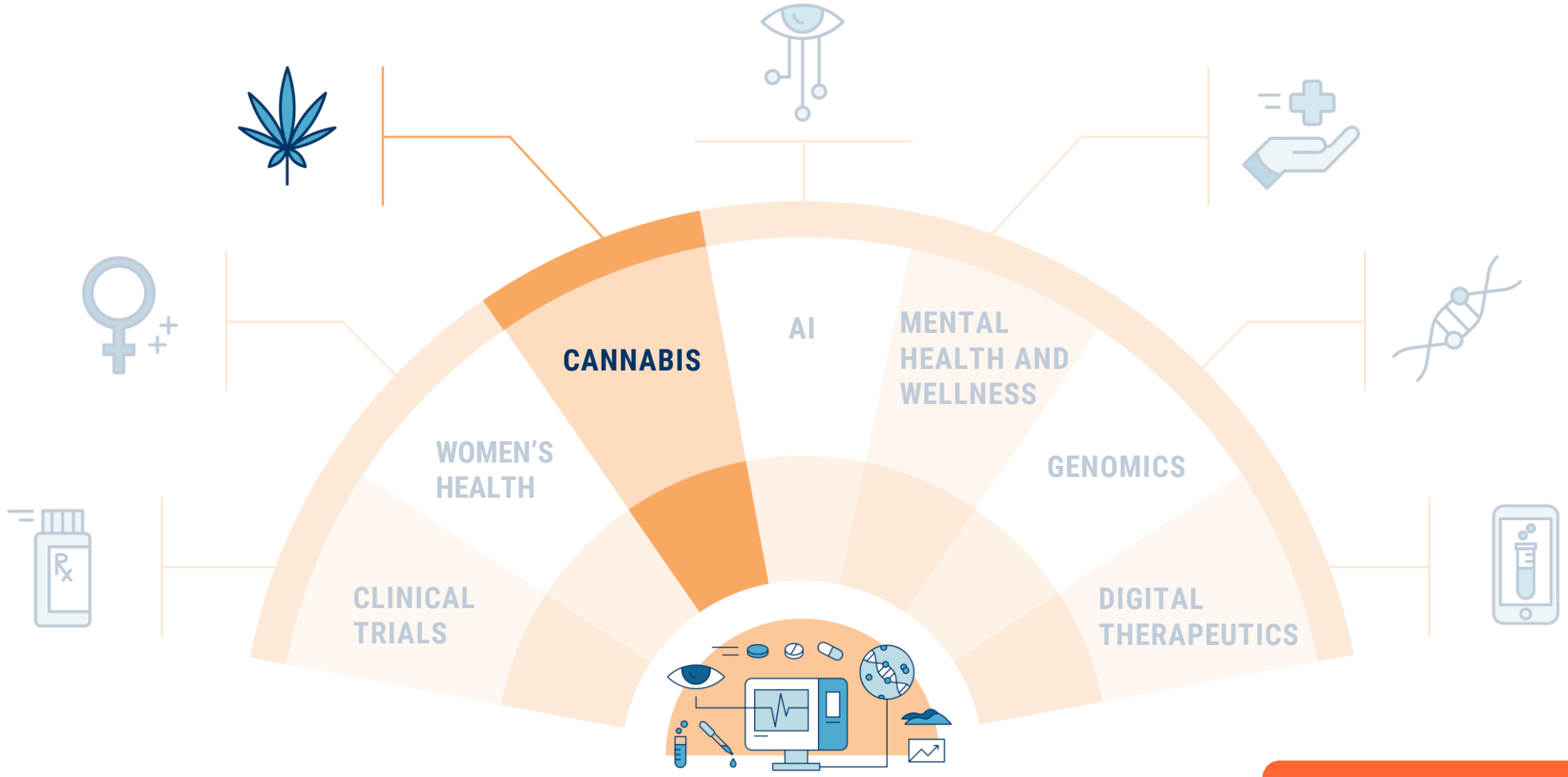
FORTUNE

Q2'19 Funding: $85M Series B round

Investors: Undisclosed

D2C telehealth company **Ro** recently launched its women's health brand – called **Rory** – which targets solutions for women experiencing menopause. It aims to provide products that address specific symptoms associated with menopause such as vaginal dryness and hot flashes.

HEALTHCARE Q2 2019

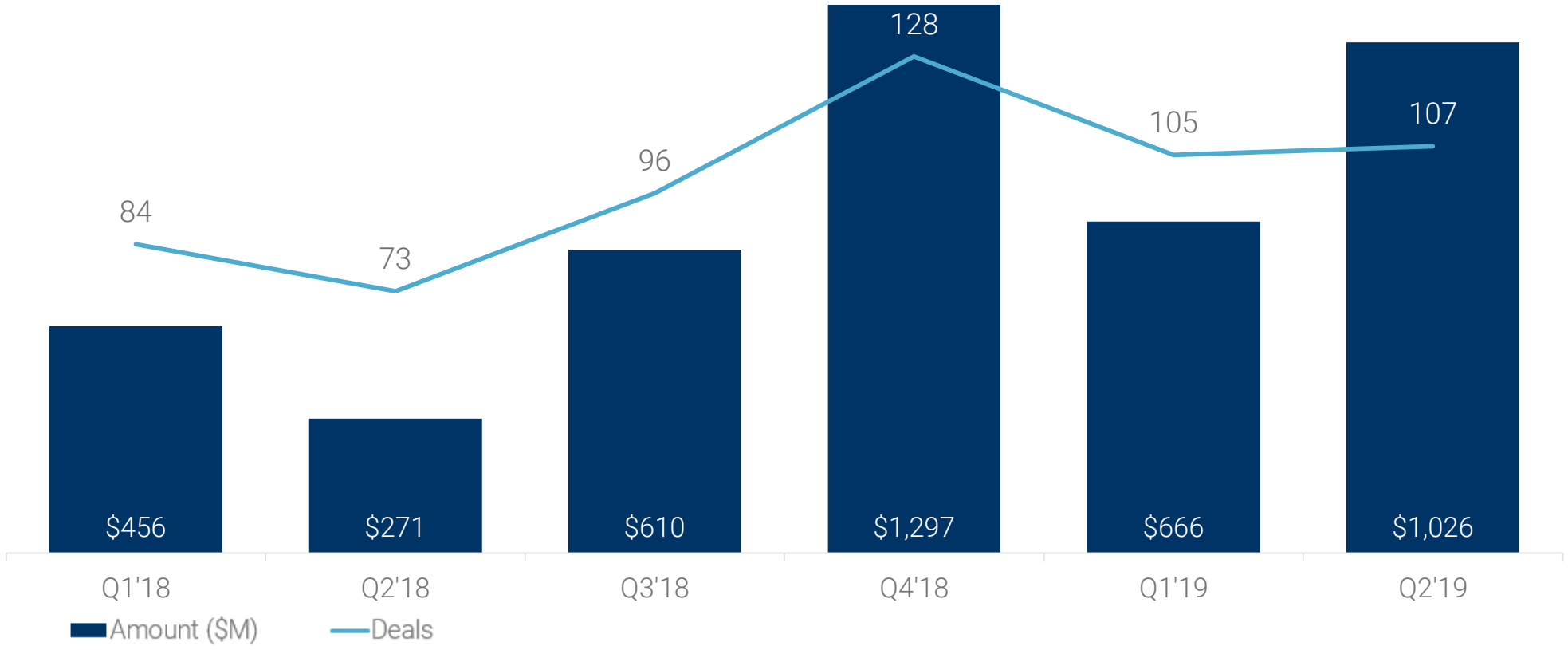


GLOBAL HEALTHCARE REPORT Q2'19

Cannabis Collection

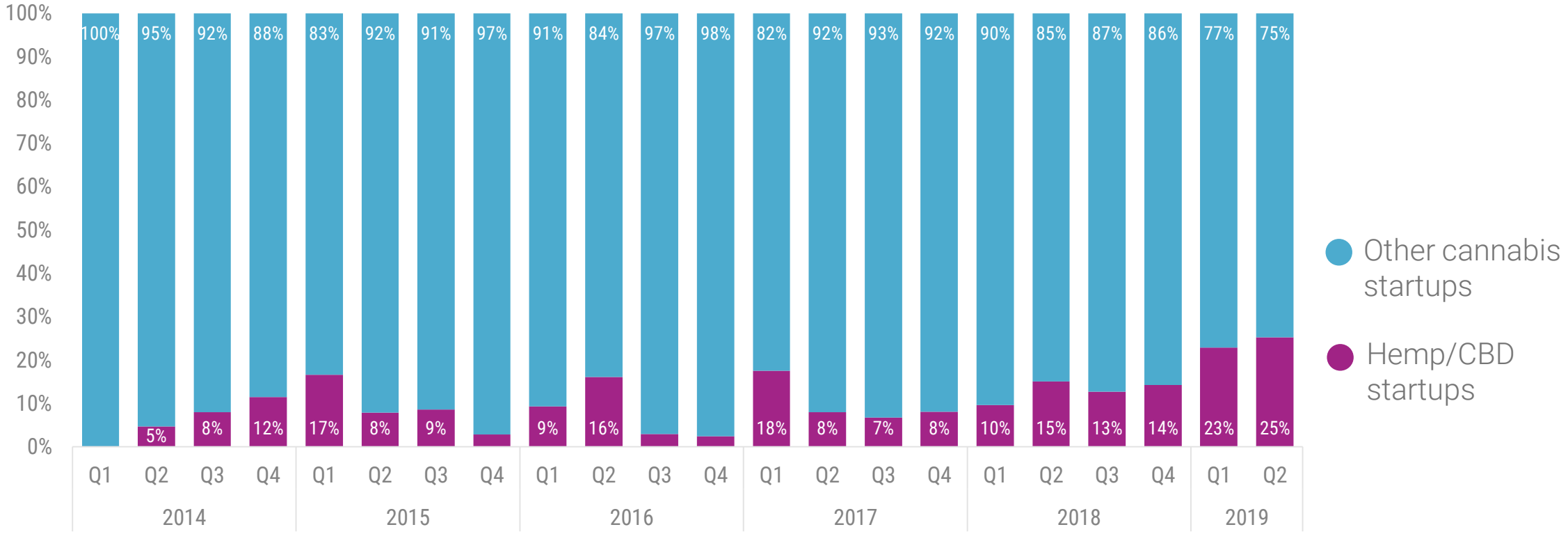
Cannabis deals and dollars near record in Q2’19

VC-backed deals and financing to cannabis startups, Q1’18 – Q2’19 ($M)



Hemp and CBD startups are becoming a larger portion of cannabis deal flow

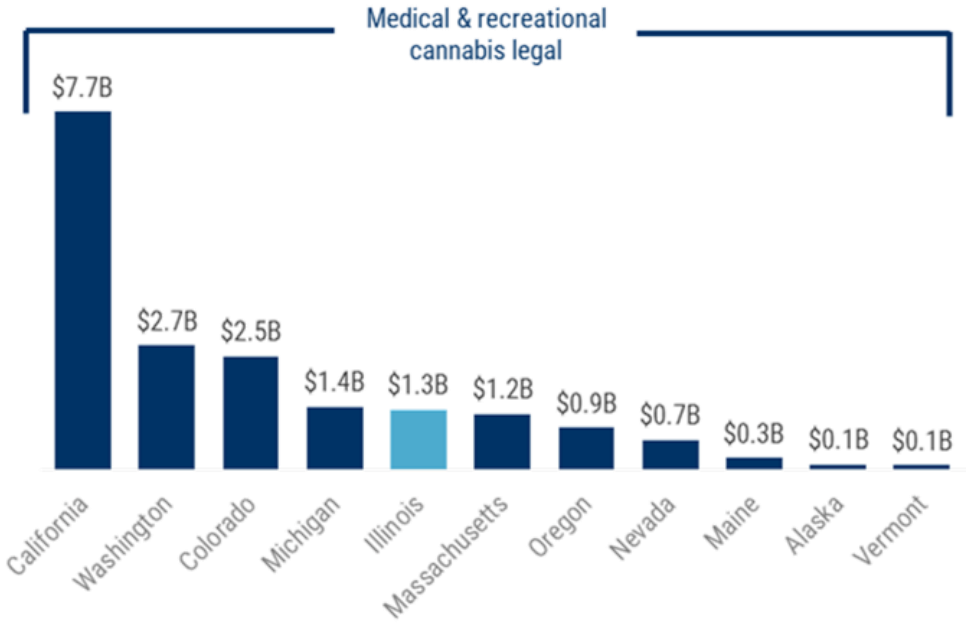
% of equity deal count by quarter, Q1'14 – Q2'19



Illinois became the 11th state to legalize cannabis

By 2023, its cannabis market could be 9x its current size, making it the 5th largest in the US ($1.3B). We expect to see continued consolidation as large cannabis companies enter the Illinois market.

2022 cannabis market size estimates



'World's largest cannabis company' created as Curaleaf acquires Grassroots

July 17, 2019 | The Philadelphia Inquirer

curaleaf™

HIGHLIGHT #3 PAX RAISES A MEGA-ROUND

PAX

Total Funding	Valuation
$545M	$1.7B

PAX provides internet-connected vaporizers that allow users to track potency of consumed cannabis.

Q2'19 Series E: $420M

Round investors: Tao Capital Partners, Tiger Global Management, Redmile Group, Prescott General Partners

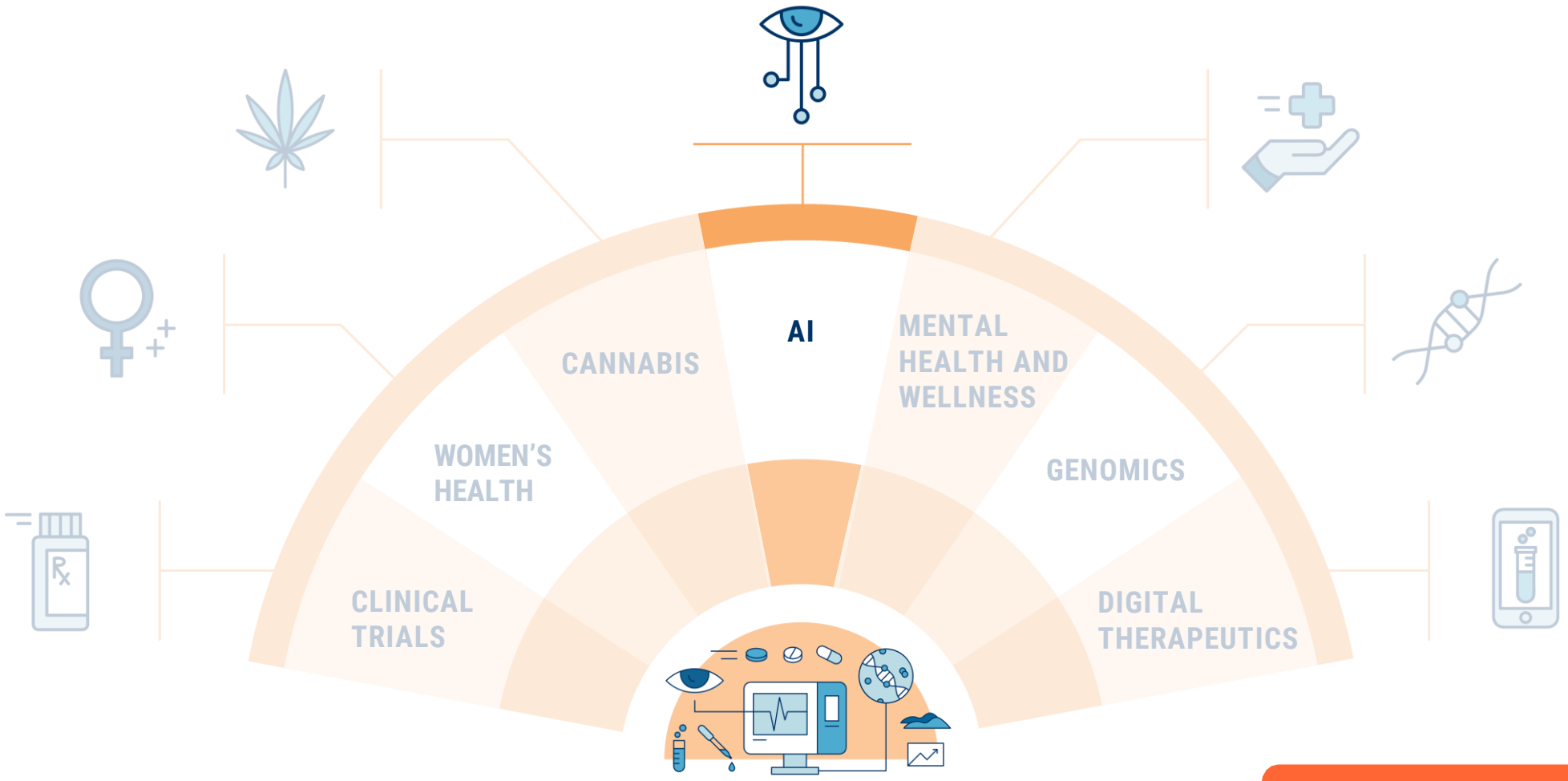
SIMILAR COMPANIES

dosist	INDOSE	syqe medical
N/A	$3.5M raised	$72.0M

MAKE IT PERSONAL
Create sessions that work for you

- Temperature: Precise-degree control
- Customization: Manage vapor and flavor output
- Security: Lock your PAX to control unwanted use
- Firmware: Automatic updates keep your device current

HEALTHCARE Q2 2019

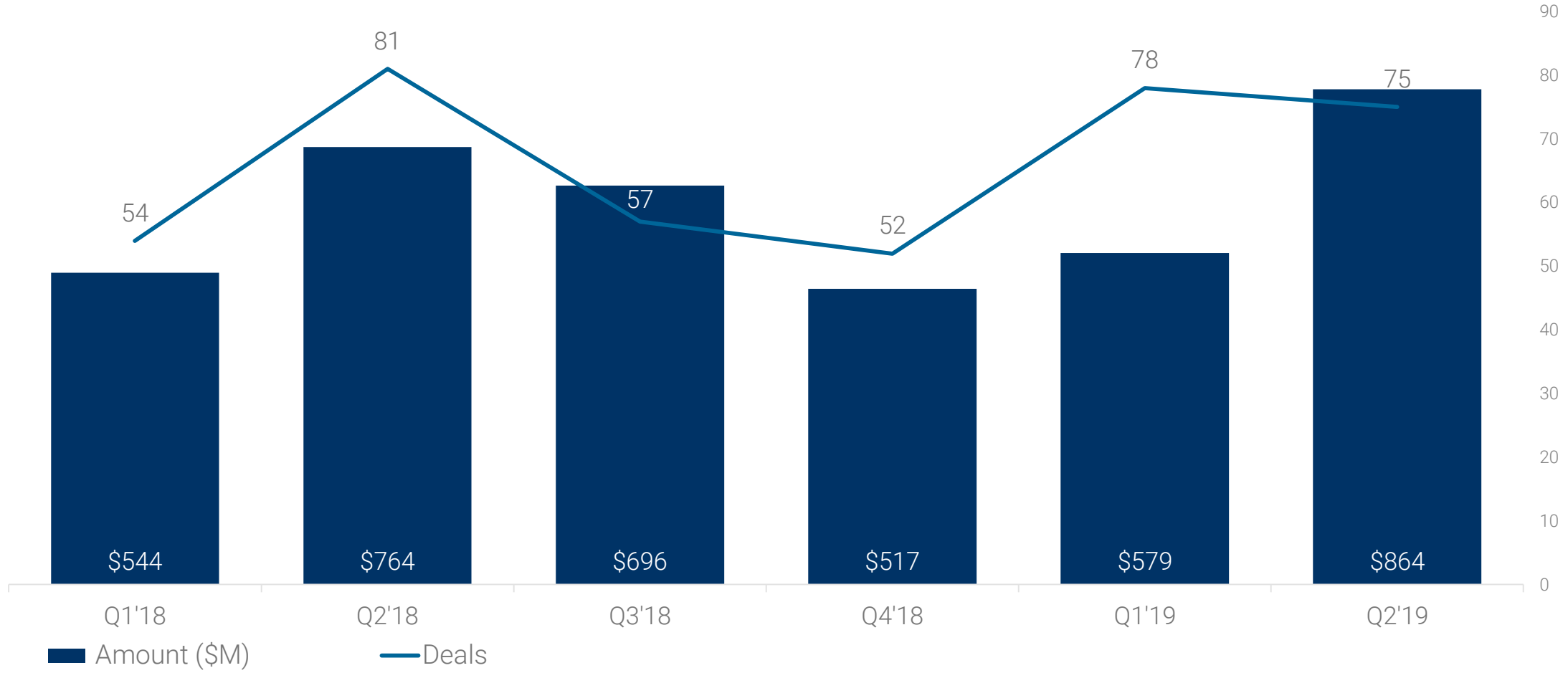


GLOBAL HEALTHCARE REPORT Q2'19

Artificial Intelligence in Healthcare Collection

AI in healthcare funding reaches a high in Q2

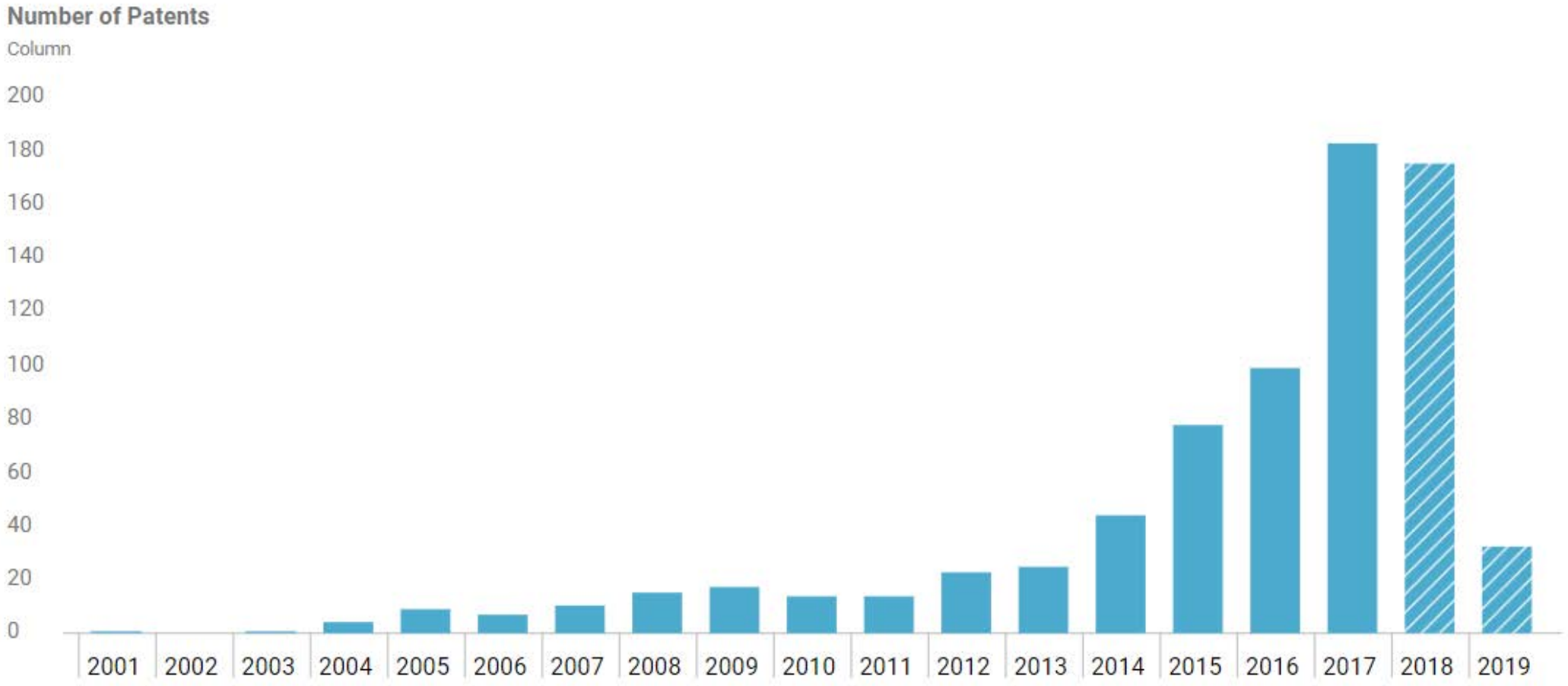
VC-backed deals and financing to healthcare AI startups, Q1’18 – Q2’19 ($M)



Top rounds to healthcare AI startups, Q2'19

Company	Deal Date // Amount Raised	Total Disclosed Funding	Select Investors	Description
TEMPUS	May'19 // $200M	$520M	Franklin Templeton Investments, New Enterprise Associates, Novo Holdings, Revolution	Gathers and analyzes clinical and molecular data at scale for precision medicine
BlackThorn THERAPEUTICS	Jun'19 // $76M	$130M	ARCH Venture Partners, Google Ventures, Johnson & Johnson Innovation, Scripps Research Institute	Neurobehavioral health company using AI technologies to develop targeted therapeutics for treating brain disorders
Frontier MEDICINES	Jun'19 // $67M	$67M	Data Collective, Deerfield Management, DROIA Oncology Ventures, MPM Capital, RA Capital Management	AI platform that integrates advanced computational approaches and machine learning to develop medicines for disease-causing proteins
PathAI	Apr'19 // $60M	$94M	8VC, DHVC, General Atlantic, General Catalyst, KdT Ventures, Pillar, and Refactor Capital	AI-powered research tools and services for pathology
FINCH THERAPEUTICS	May'19 // $53M	$74M	Shumway Capital	Machine Learning-based platform to identify microbial agents

Siemens, GE, Philips among top patent applicants



CBINSIGHTS

Source: CB Insights patent analytics, based on keyword searches of title and abstract. Date reflected is patent filing date. Patterned column(s) may show a decline due to a delay between patent filing and publication.

More money is flowing to medical image processing

PathAI

Q2'19 Funding: $60M Series B

Select Investors: 8VC, DHVC, General Atlantic, General Catalyst, KdT Ventures, Pillar, Refactor Capital

Focus: PathAI provides AI-powered research tools and services for pathology. PathAI's platform promises substantial improvements to the accuracy of diagnosis and the efficacy of treatment of diseases like cancer, leveraging modern approaches in machine and deep learning.

SIGTUPLE

Q2'19 Funding: $16M Series C, $1.6M Series C - II

Select Investors: Accel, Chiratae Ventures, pi Ventures, Smilegate Investment, Trifecta Capital, Trusted Insight

Focus: SigTuple uses artificial intelligence to develop hardware and software products to digitize pathology test results for hospitals and clinics.

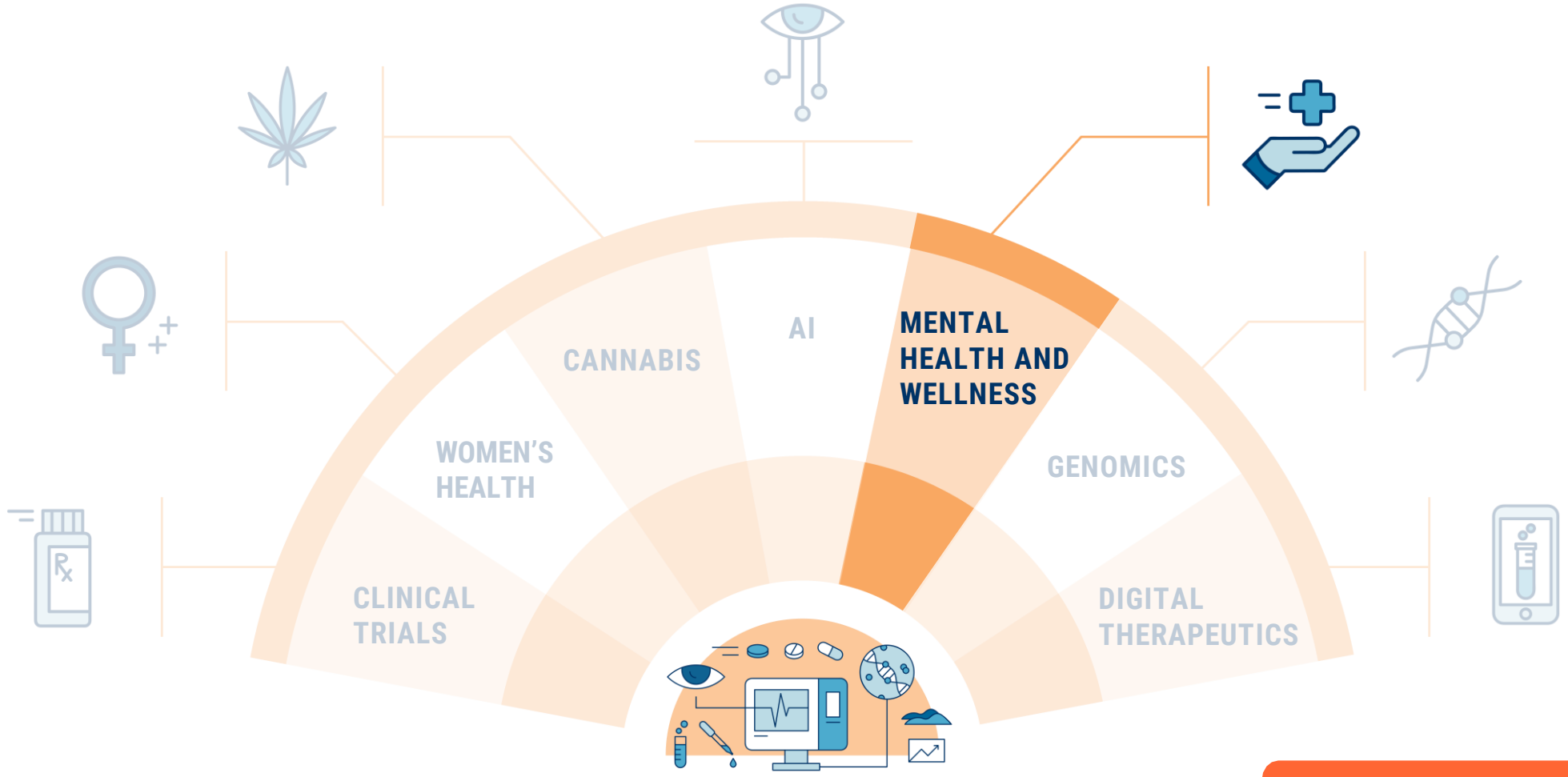
Lifetrack Medical Systems

Q2'19 Funding: $5.2M Series A

Select Investors: Kickstart Ventures, Philips, UOB Venture Management

Focus: Lifetrack Medical Systems is a teleradiology startup that makes it easy to interpret radiology readings for medical diagnosis. The company's radiology software platform pairs hospital residents with experienced radiologists who help evaluate medical images and send their reports.

HEALTHCARE Q2 2019

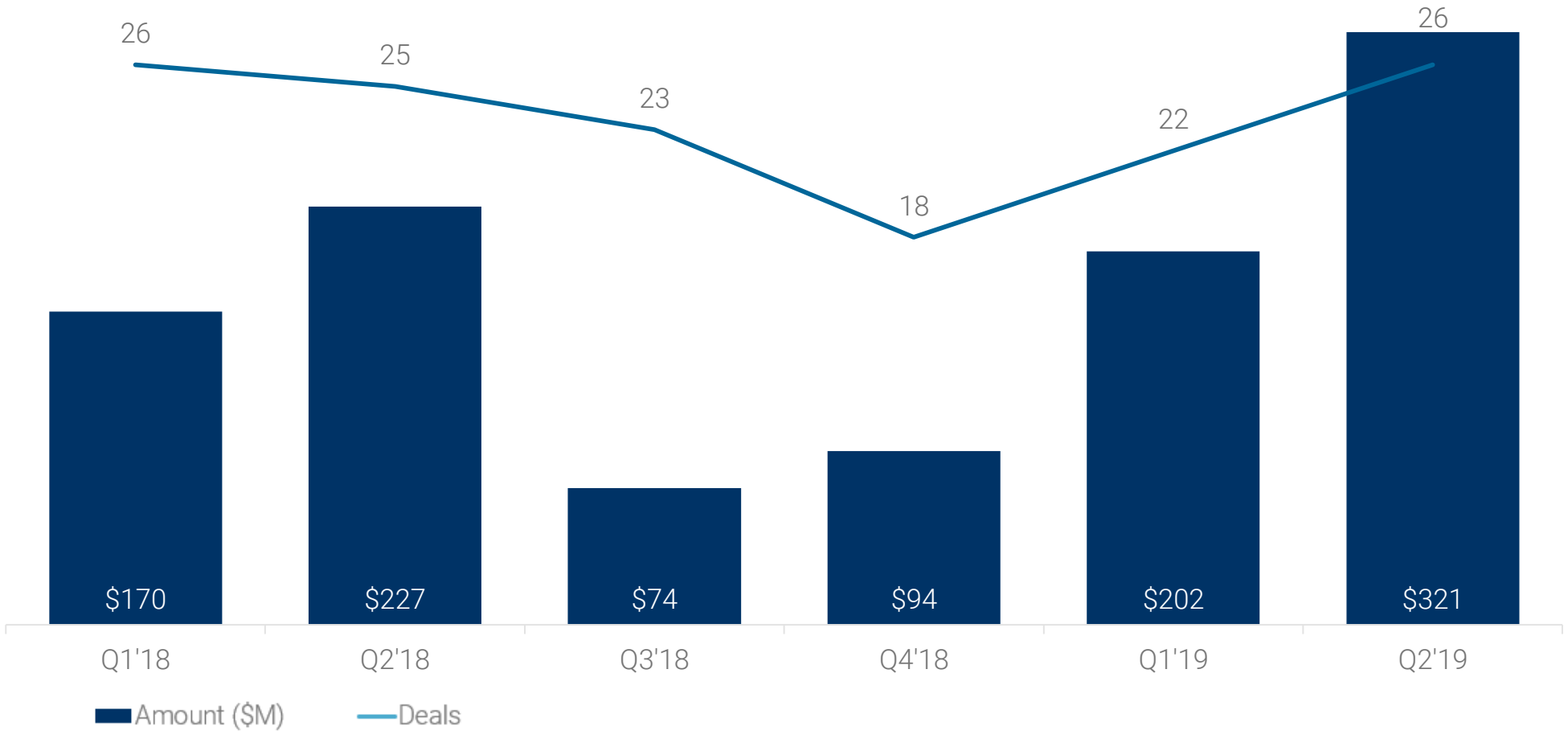


GLOBAL HEALTHCARE REPORT Q2'19

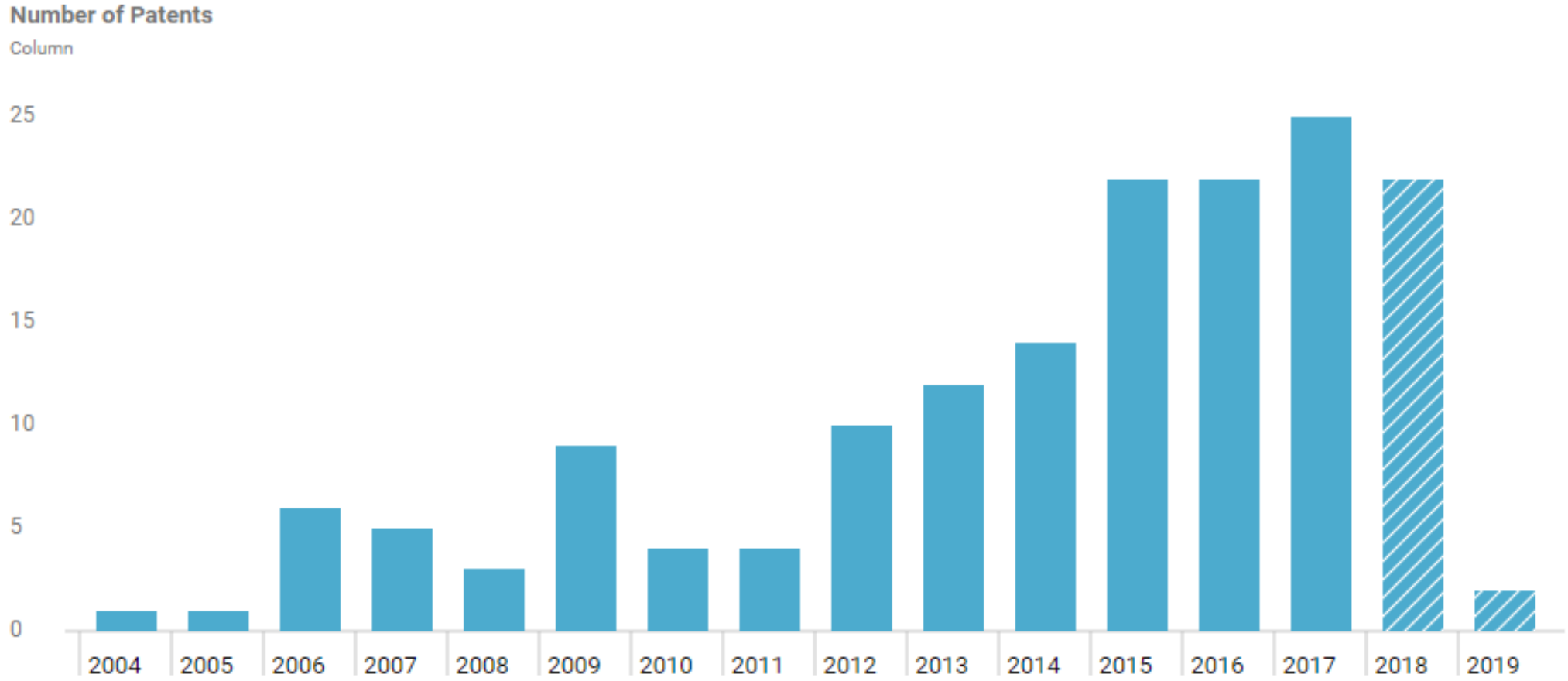
Mental Health and Wellness Collection

Mental health & wellness funding sets quarterly record

VC-backed deals and financing to mental health & wellness startups, Q1’18 – Q2’19 ($M)



IBM, WellDoc among top patent applicants

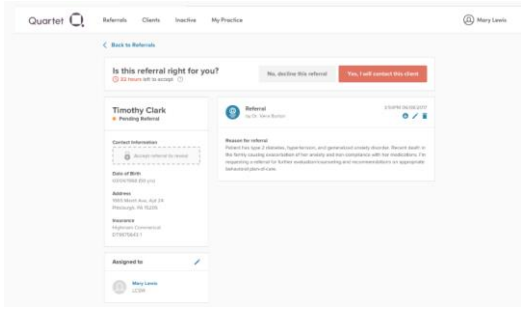


CBINSIGHTS

Source: CB Insights patent analytics, based on keyword searches of title and abstract. Date reflected is patent filing date. Patterned column(s) may show a decline due to a delay between patent filing and publication.

Top investors are flocking towards mental and behavioral health

Quartet

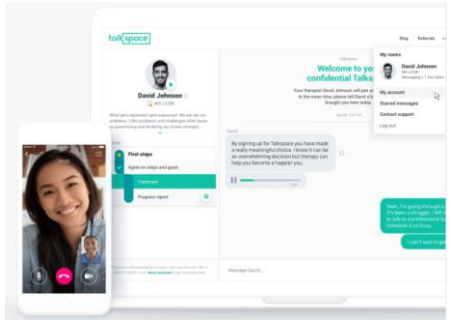


Q2'19 Funding: $60M Series D

Select Investors: Centene, F-Prime, Google Ventures, Oak HC/FT, Polaris Partners

Focus: Quartet Health is a behavioral health technology company that has developed a suite of products to increase access to behavioral health resources. The company hopes to lower costs by aligning payers, behavioral health clinicians, medical providers, and patients.

talkspace

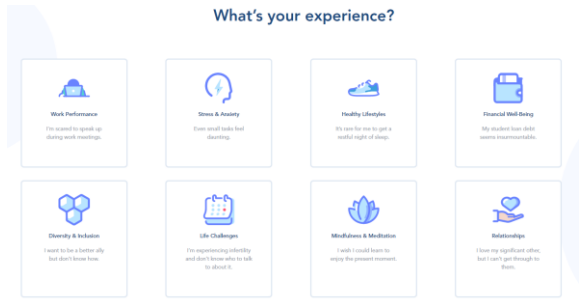


Q2'19 Funding: $50M Series D

Select Investors: Compound, Norwest Venture Partners, Revolution, Spark Capital

Focus: Talkspace is a telebehavioral healthcare company. Its psychotherapy product connects individual users with a network of licensed therapists through a HIPAA-compliant web and mobile platform. Users can send therapists unlimited text, video, picture, and audio messages.

Modern Health



Q2'19 Funding: $9M Series A

Select Investors: Afore Capital, Jared Leto, Kleiner Perkins, Y Combinator

Focus: Modern Health is a mental health benefits platform for employers. The company covers the full spectrum of mental well-being needs through both evidence-based technology and professional support from a coach or therapist.

HIGHLIGHT #3 PARTNERSHIPS ALONG WITH FINANCINGS DRIVE ADOPTION

Vida Health's $30M raise includes partnerships with Teladoc, Guidewell, and Workday

vida

Last Funding	Total Funding
$30M Series C // Q2'19	$53M

Vida Health offers systems for managing both behavioral and physical chronic health conditions.

Vida's systems include digital therapeutics, digital communication with live coaches, and remote monitoring devices.

Select Investors

Aspect Ventures, Canvas Ventures, Guidewell, NGP Capital, Teladoc Health, Workday Ventures, Khosla Ventures

vida + Teladoc HEALTH

Bundled solutions for virtual and chronic care offerings

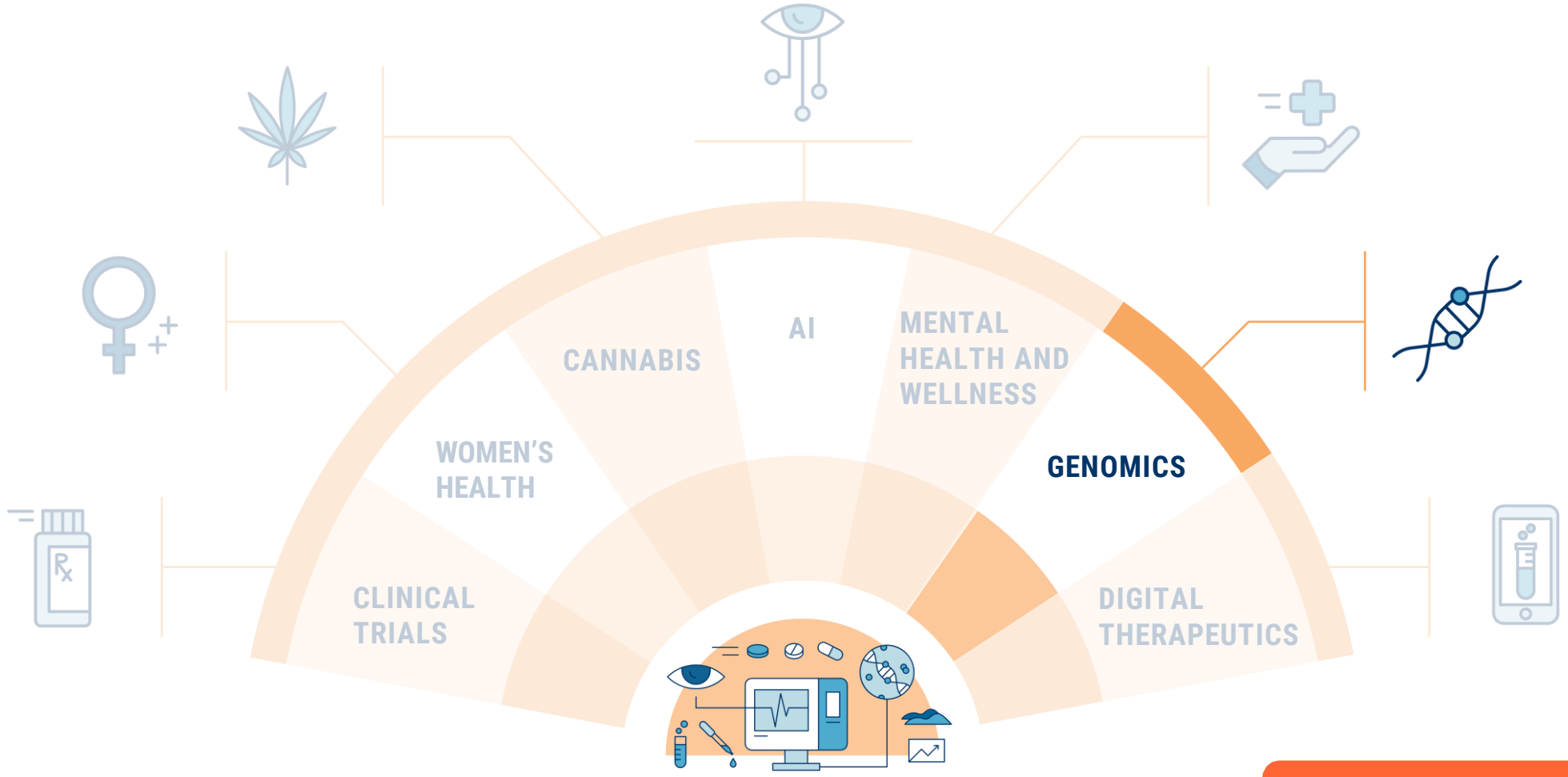
vida + GUIDEWELL

Adding Florida Blue as customer + focusing on comorbidities

vida + workday.

Single sign-on integration between Vida and the Workday system

HEALTHCARE Q2 2019

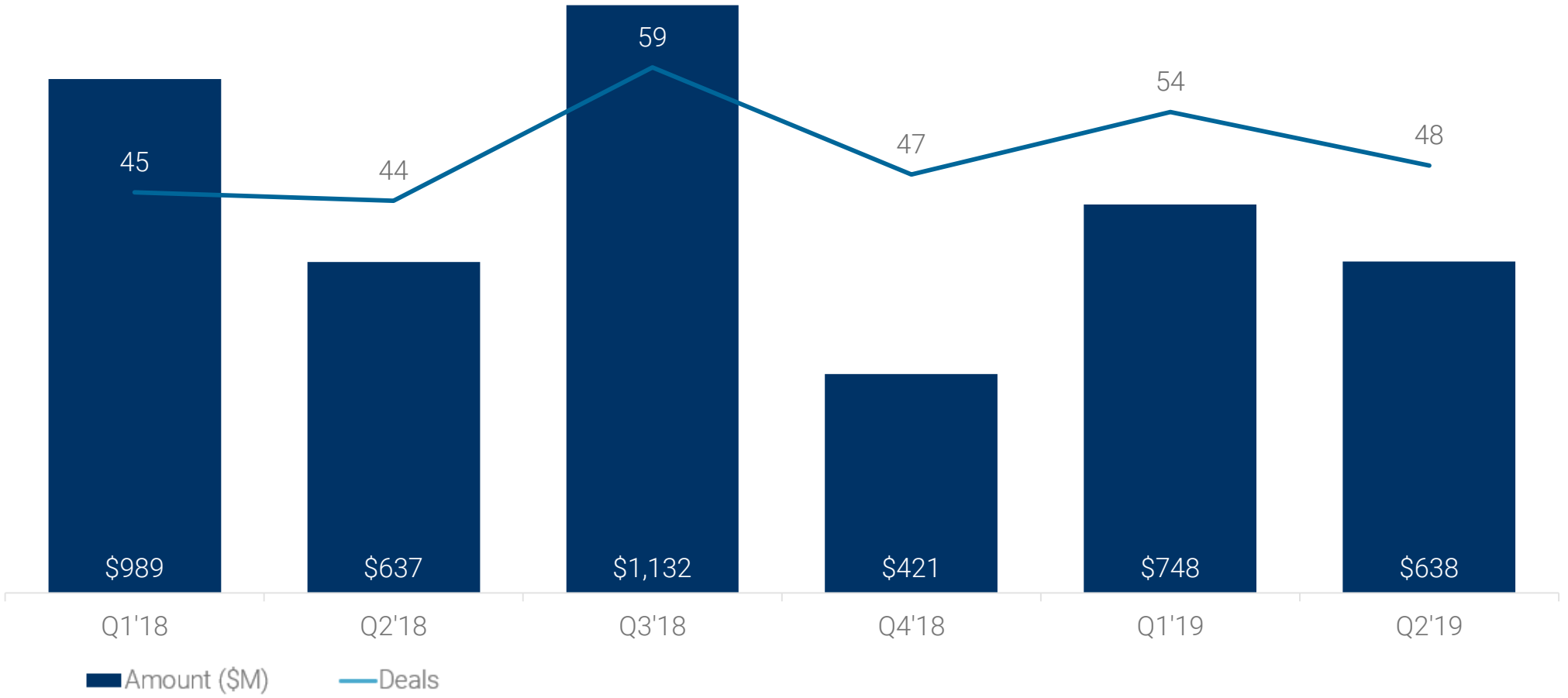


GLOBAL HEALTHCARE REPORT Q2'19

Genomics Collection

Genomics deals see slight dip in Q2’19

VC-backed deals and financing to genomics startups, Q1’18 – Q2’19 ($M)



HIGHLIGHT #1 EMERGING TECH IN GENOMICS

AI & blockchain applications begin to rise in genomics

ARTIFICIAL INTELLIGENCE

Syntekabio

Q2'19 funding: $16.8M Series A

Select investors: Korea Asset Investment Securities Co., Altos Ventures, Saehan Venture Capital

Focus: South Korea-based Syntekabio leverages genomics, AI, and computational biology for drug discovery and development. One of its key products includes a "tiny genes" test, which is a gene panel kit for detecting neonatal genetic disorders.

BLOCKCHAIN

luna DNA

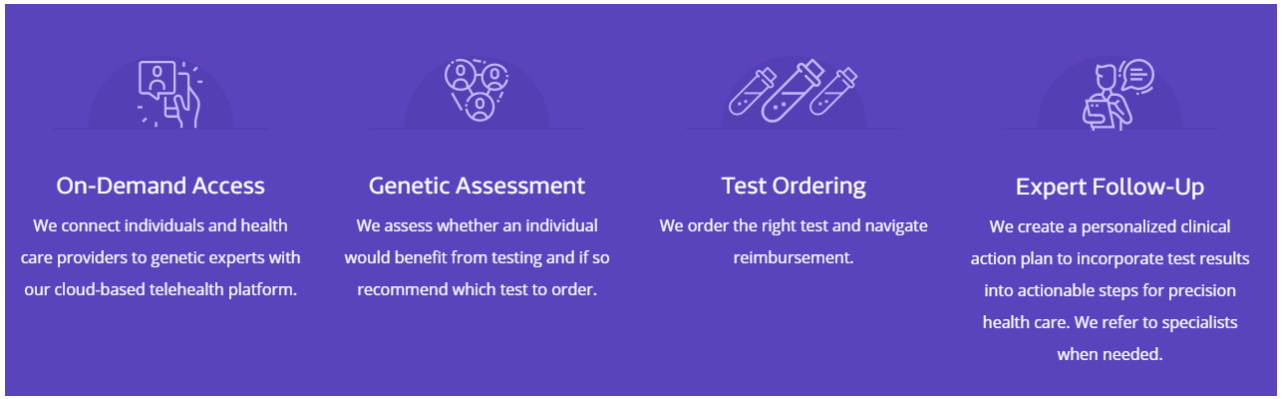
Q2'19 funding: $4.6M Series B

Select investors: ARCH Ventures Partners, Bain Capital Ventures, F-Prime Capital

Focus: Luna DNA develops a genomic database where individuals can share their respective genomic information on its decentralized blockchain network. By doing so, users can earn Luna Coins, which represent shares of ownership.

HIGHLIGHT #2 TELEGENOMICS

Genomic medicine becomes **more widely accessible**



GENOME MEDICAL CAN HELP FIND THE TESTING THAT IS RIGHT FOR EACH INDIVIDUAL

genome MEDICAL

DIAGNOSTIC TESTING	PHARMACOGENOMICS	PROACTIVE TESTING	CARRIER TESTING	NEWBORN SCREENING
Pinpoint genetic factors that caused the disease	Choose the best medicine and the correct dose	Discover genetic factors that increase disease risk	Find genetic factors that could be passed along to children	Genetic testing provided for healthy newborns for certain treatable conditions

Q2'19 funding: $23M Series B round

Select investors: Canaan Partners, Casdin Capital, Illumina Ventures, Kaiser Permanente Ventures, GE Ventures

Telegenomics company **Genome Medical** aims to make genomic medicine more accessible for individuals and for healthcare stakeholders (health systems, providers, and employers). For instance, it allows patients to schedule virtual consultations and for providers to seek out genetic expertise through the platform.

TEMPUS

Q2'19 funding

$200M Series F

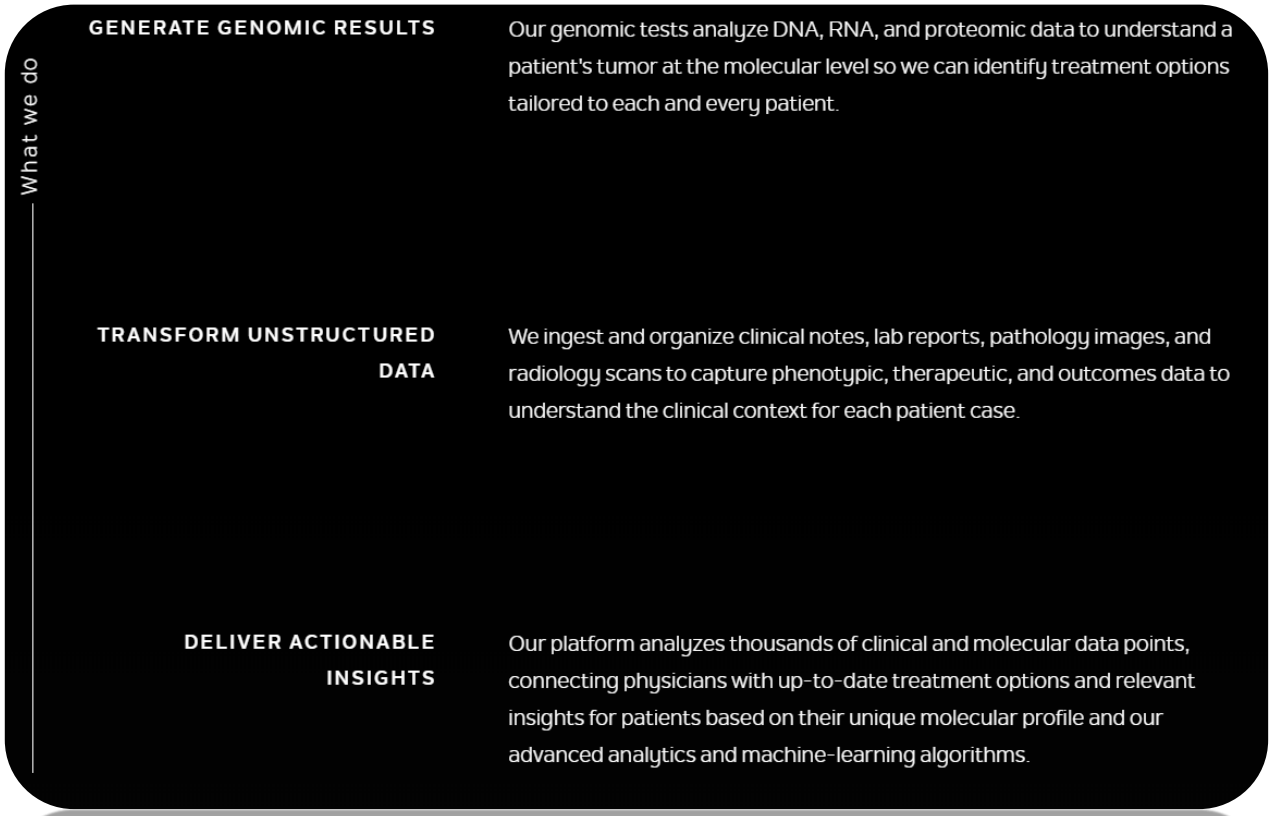
Tempus develops an AI-enabled precision medicine software based on its collection and analysis of clinical and molecular data.

It uses sequencing technology to get in-depth molecular and genomic data to help identify the right treatments or clinical trials for patients.

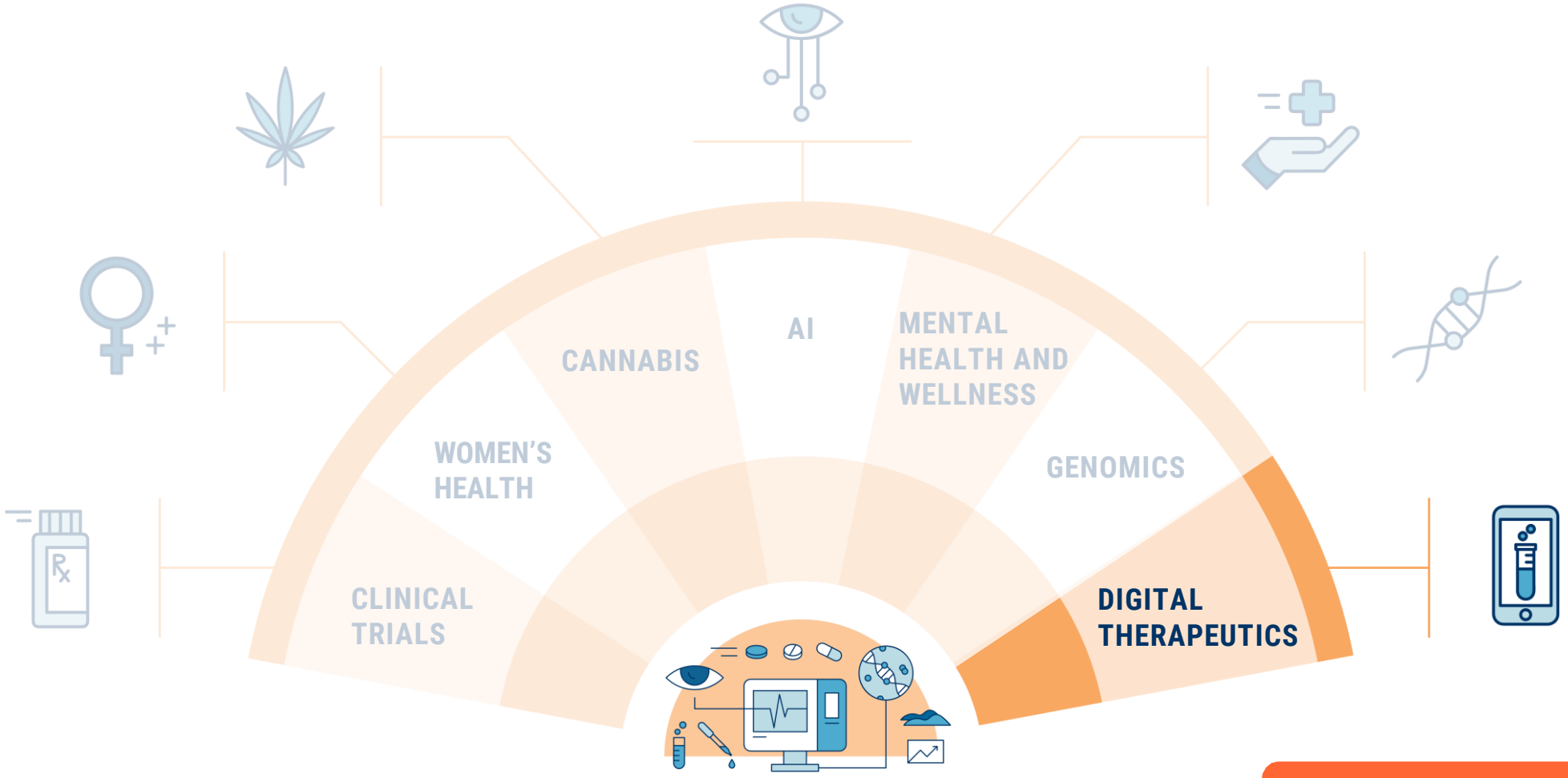
Other unstructured data sets are also used to deliver treatment options and additional insights.

Select investors

New Enterprise Associates, Novo Holdings, Revolution, Baillie Gifford & Co.



HEALTHCARE Q2 2019

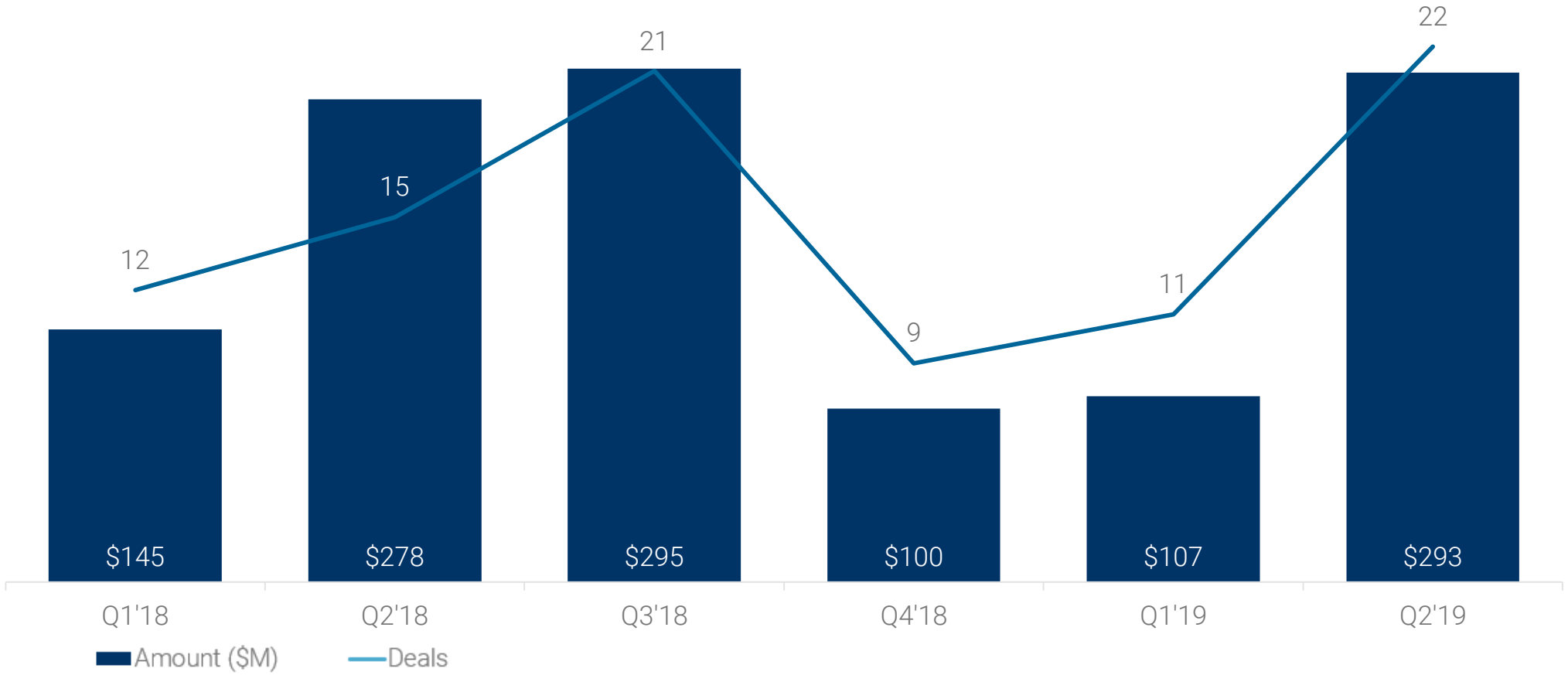


GLOBAL HEALTHCARE REPORT Q2'19

Digital Therapeutics Collection

Digital therapeutics deals bounce back in Q2’19

VC-backed deals and financing to digital therapeutics startups, Q1’18 – Q2’19 ($M)



Chronic disease management through digital therapeutics

Targeting behavioral changes

vida

Q2'19 funding: $30M Series C

Select investors: Aspect Ventures, Teladoc Health, NGP Capital

Vida develops personalized evidence-based programs that cater to various health conditions. It uses mobile apps, devices, coaching, and personalized content to drive behavioral changes. It offers both individual & enterprise plans.

Predicting health problems

biofourmis

Q2'19 funding: $35M Series B

Select investors: Sequoia India, MassMutual Ventures, EDBI

Biofourmis develops a connected platform using software and medical sensors in order to monitor a patient's health and predict potential issues that may arise. It works with payers, providers, biopharmaceutical, and the med tech industries.

New applications of **emerging technologies** in digital therapies

VIRTUAL REALITY (VR)

psious

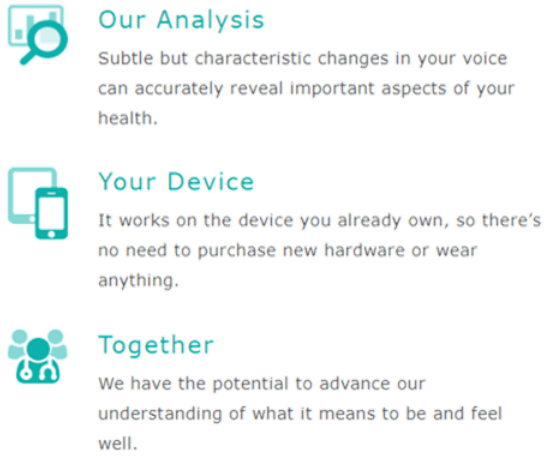
Q2'19 funding: $8.94M Series A

Select investors: Sabadell Asset Management, Smartech Capital, Caixa Capital Risc

Spain-based **Psious** develops VR-based digital treatments for behavioral & mental health issues. It aims to create more than 70+ therapeutic environments that treat everything from eating disorders to ADHD (Attention Deficit Hyperactivity Disorder).

VOICE TECH

SONDE



Q2'19 funding: $16M Series A

Select investors: M Ventures, MP Healthcare Venture Management, PureTech Health

Spun out of PureTech Health, **Sonde Health** uses voice-based technology to monitor and diagnose health conditions. Using voice as a biomarker for analyzing brain, muscle, and health measurements, the company intends to focus on neurological, respiratory, and cardiovascular diseases.

HIGHLIGHT #3 MORE HEALTH INDICATIONS ARE BEING PURSUED

Digital therapeutics are spreading to more therapeutic areas

MUSCULOSKELETAL

SWORD HEALTH

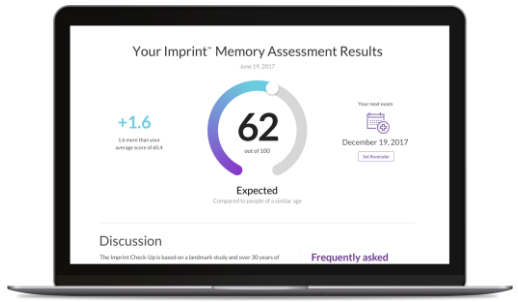
Q2'19 funding: $8M Series A

Investor: Khosla Ventures

Focus: SWORD Health develops "a digital therapist" platform for treating musculoskeletal disorders. It combines this with real physical therapists and a clinical team for a comprehensive level of care.

NEUROLOGICAL

Neurotrack



Q2'19 funding: $21M Series C

Investors: Khosla Ventures, Rethink Impact, Dai-ichi Life Insurance

Focus: Neurotrack Technologies develops digital products for cognitive health, including one for those diagnosed with Alzheimer's Disease.

RESPIRATORY

NUVOair

Q2'19 funding: $3M Series A

Investors: Industrifonden, Investment Spiltan

Focus: Sweden-based NuvoAir develops a respiratory diagnostic tool (portable spirometer) connected to a mobile app that tracks lung health.

Most Active Digital Health Investors

The most active digital health VCs in Q2'19

By unique digital health company investments (new or follow-on)

Rank	Investor	Select Digital Health Investments
1	First Round	Alma Health, vital, Karuna Health, LEVEL
1	Jumpstart Foundry	Lytic, MEDIFIES, iTherapyDocs, ScribeLink
2	Chiratae Ventures	cure.fit, SIGTUPLE, onco.com
2	Civilization Ventures	Gali, omada, pillohealth
2	Perceptive Advisors	genome medical, kindbody, ARCHER

The most active digital health VCs in Q2'19

By unique digital health company investments (new or follow-on)

Rank	Investor	Select Digital Health Investments
2	echo HEALTH VENTURES	genome MEDICAL, dispatch HEALTH, GNS HEALTHCARE
2	F-PRIME	luna DNA, embark, Quartet
2	illumina VENTURES™	genome MEDICAL, luna DNA, celldom*
2	khosla ventures	WHOLE BIOME, Neurotrack, SWORD HEALTH

* Funded by Illumina's accelerator

Methodology

CB Insights encourages you to review the methodology and definitions employed to better understand the numbers presented in this report. If you have any questions about the definitions or methodological principles used, we encourage you to reach out to CB Insights directly. Additionally, if you feel your firm has been under-represented, please send an email to info@cbinsights.com and we can work together to ensure your firm's investment data is up to date.

What is included:

— Equity financings into emerging healthcare companies. Fundings must be put into VC-backed companies, which are defined as companies who have received funding at any point from venture capital firms, corporate venture groups, or super angel investors.

— Fundings of only private companies. Funding rounds raised by public companies of any kind on any exchange (including Pink Sheets) are excluded from our numbers, even if they received investment by a venture firm(s).

— Only includes the investment made in the quarter for tranched investments. If a company does a second closing of its Series B round for $5M and previously had closed $2M in a prior quarter, only the $5M is reflected in our results.

— Round numbers reflect what has closed — not what is intended. If a company indicates the closing of $5M out of a desired raise of $15M, our numbers reflect only the amount which has closed.

— Only verifiable fundings are included. Fundings are verified via various federal and state regulatory filings, direct confirmation with firm or investor, or press release.

— For the purposes of this report, digital health is defined as companies in the healthcare space that use technology/software as a key differentiator vs. their competition. This includes everything from disease diagnostics and management, health insurance built on a new tech infrastructure, to AI tools for drug discovery, and more.

— Categories are not mutually exclusive (for example, a company that applies AI to genomics would be included in both categories). Criteria for categories can be found on page 29.

What is excluded:

— No contingent funding. If a company receives a commitment for $20M subject to hitting certain milestones but first gets $8M, only the $8M is included in our data.

— No business development/R&D arrangements, whether transferable into equity now, later, or never. If a company signs a $300M R&D partnership with a larger corporation, this is not equity financing, nor is it from a venture capital firm. As a result, it is not included.

— No buyouts, consolidations, and/or recapitalizations. All three of these transaction types are commonly employed by private equity firms and are tracked by CB Insights. However, they are excluded for the purposes of this report.

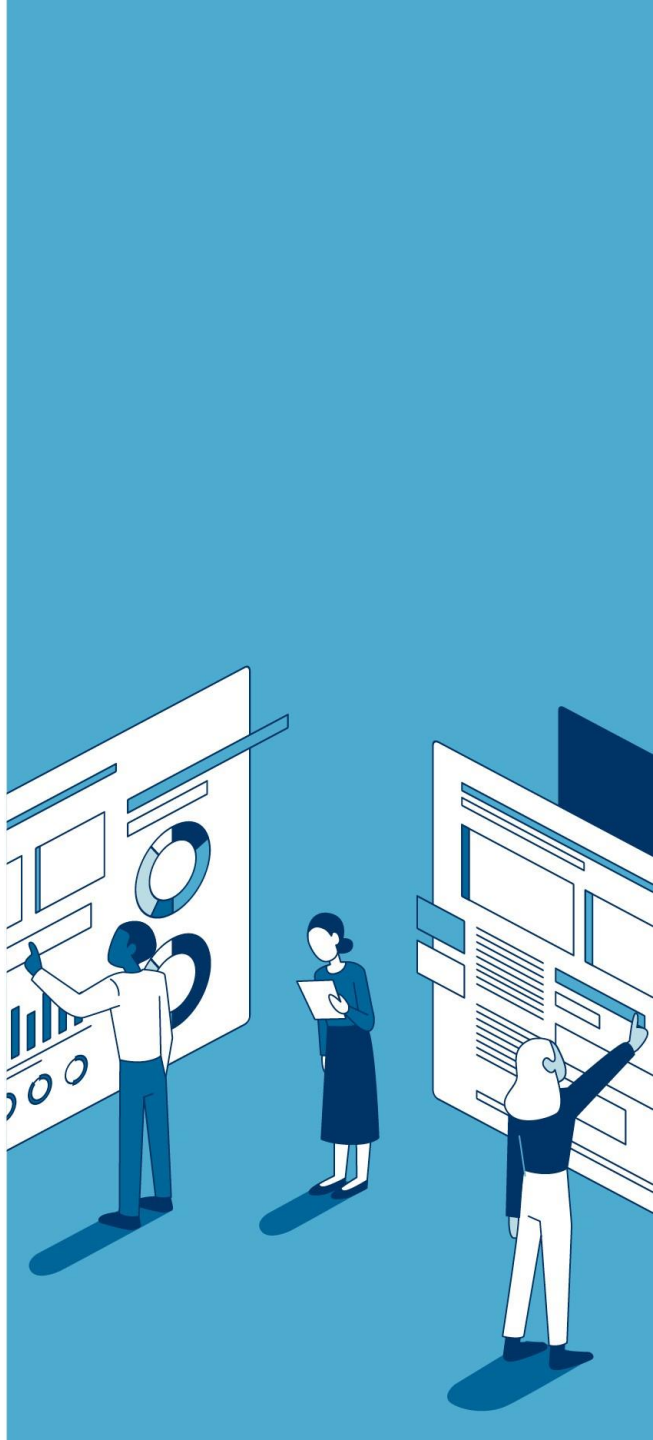
— No private placements. These investments, also known as PIPEs (Private Investment in Public Equities), are excluded even if made by a venture capital firm(s).

— No debt/loans of any kind (except convertible notes). Venture debt or any kind of debt/loan issued to emerging startup companies, even if included as an additional part of an equity financing, is not included. If a company receives $3M with $2M from venture investors and $1M in debt, only the $2M is included.

— No government funding. Grants, loans, or equity financings by the federal government, state agencies, or public-private partnerships to emerging startup companies are not included.

CBINSIGHTS

WHERE IS ALL THIS DATA FROM?

The CB Insights platform has the underlying data included in this report

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