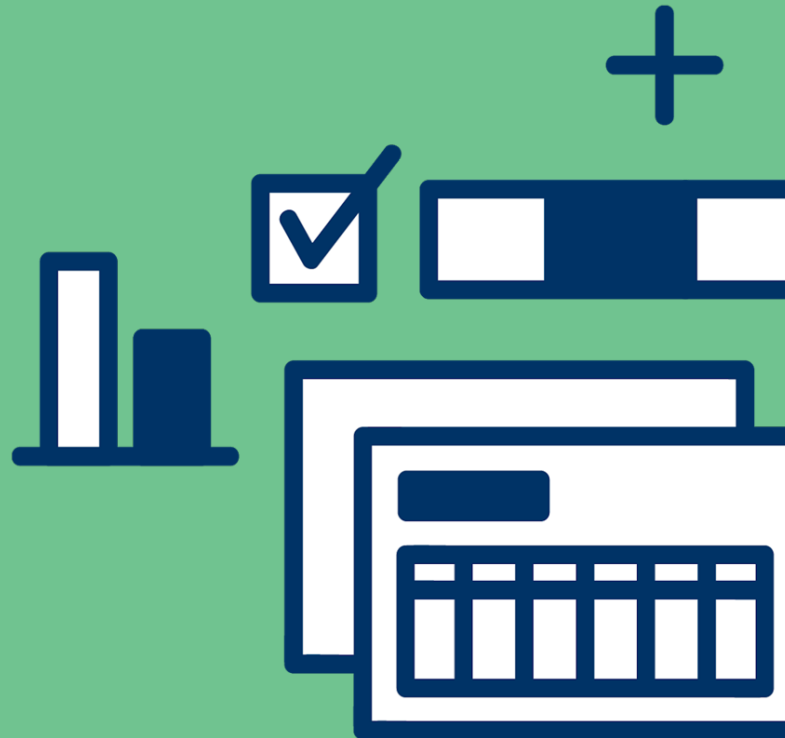




State Of Healthcare Q3'20 Report: Sector And Investment Trends To Watch



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Mike Anderes

Chief Innovation and Digital Officer, Froedtert Health



2020

Administrative automation & digitization



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Drug discovery



Clinical trials



Clinical intelligence



Online-offline care



Specialty care



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Summary of findings

GLOBAL HEALTHCARE INVESTMENT

A new record for global healthcare investment: Global healthcare funding to private companies reached a new quarterly record of \$21.8B in Q3'20. There were 1,539 equity investments in Q3'20, growing 18% quarter-over-quarter (QoQ).

Funding to North America- and Asia-based companies saw a 20% uptick: North America-based companies raised nearly \$13B in Q3'20, the highest quarterly level on record and a 21% increase from Q2'20. Asia-based companies saw a 20% uptick QoQ, raising over \$6B. This was driven by a record-high number of mega-rounds in the US and China (48 in total).

Globally, there are 41 healthcare unicorns worth a combined \$102B: Five new unicorns were added to the list, while 4 former unicorns such as GRAIL and GoodRx saw exits in Q3'20.

GLOBAL DIGITAL HEALTH INVESTMENT

Digital health deals and dollars reached new heights: Global digital health equity funding grew by 73% to reach \$8.4B in Q3'20 – setting a new record. This was boosted by an all-time high of mega-rounds (23). There were 502 deals, an increase of 8% compared to the previous quarter.

New York state saw a decline in digital health deals in Q3'20: With 40 deals in Q3'20, New York saw a 20% decline in deal activity, although it maintained its #2 spot. California saw a 12% increase in deal volume, while Massachusetts saw a 33% increase. However, the New York metro area maintained its lead in digital health deals for the third consecutive quarter, beating out Silicon Valley and Boston.



Note: This report focuses on equity rounds to private healthcare companies. All data is sourced from CB Insights.

HEALTHCARE INDUSTRY TRENDS

Healthcare AI deals and dollars saw an uptick in Q3'20: Healthcare AI companies raised \$2.1B in equity funding across 121 deals – a quarterly uptick of 37% and 38%, respectively. Funding reached a record high in Q3'20.

Deals and dollars for telehealth skyrocketed: Telehealth reached a new funding record of \$2.8B in Q3'20 – a 73% increase QoQ – across 162 deals. This was driven by the top 5 telehealth deals, which accounted for nearly \$900M of quarterly funding.

Funding to medical devices continued to rise: Medical device companies raised over \$5B in funding – a new quarterly high – across 478 deals. Deal count saw a 20% jump from the previous quarter.

Funding to drug R&D technology soared amid Covid-19: The quarter saw 38 deals and nearly \$1.5B in funding to the space. This funding total was largely driven by 5 mega-rounds, including AI drug discovery company XtalPi's \$319M round and clinical research platform Taimei Technology's \$176M round.

Women's health funding more than doubled in Q3'20: Women's health funding saw a 139% increase QoQ, marking its second-strongest quarter since Q1'19. Deal volume saw a new record with 68 deals – a 17% increase QoQ. Two key acquisitions were also made.

Mental health deals reached a record high: Mental health companies saw record deal volume in Q3'20 with 68 deals. However, funding declined for the second consecutive quarter, falling by 16% QoQ to \$417M.

Mega-rounds boosted health plans & benefits management funding: Funding to health plans & benefits management companies skyrocketed due to 5 mega-rounds, which made up nearly \$1.2B. The space also reached a peak in deal count with 29 deals, a 21% increase QoQ.



GET ALL THE DATA USED IN THIS REPORT

Artificial Intelligence in
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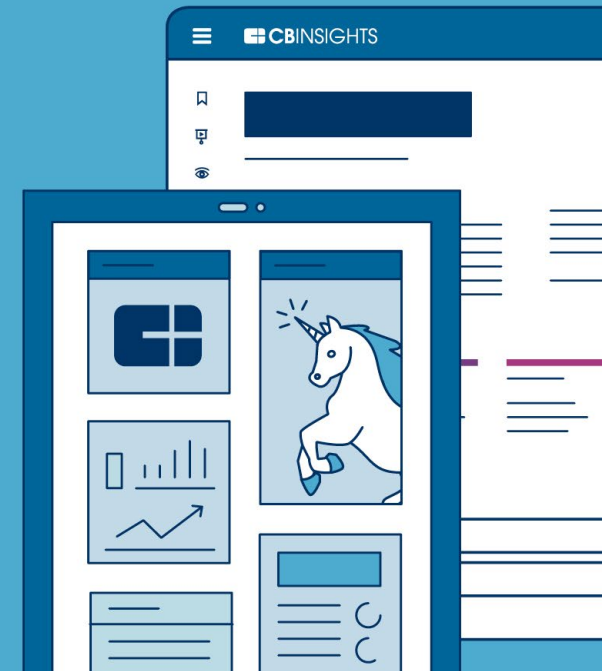
Telehealth Collection

Women's Health Collection

Medical Devices
Collection

Mental Health & Wellness
Collection

Health Plans & Benefits
Management Collection



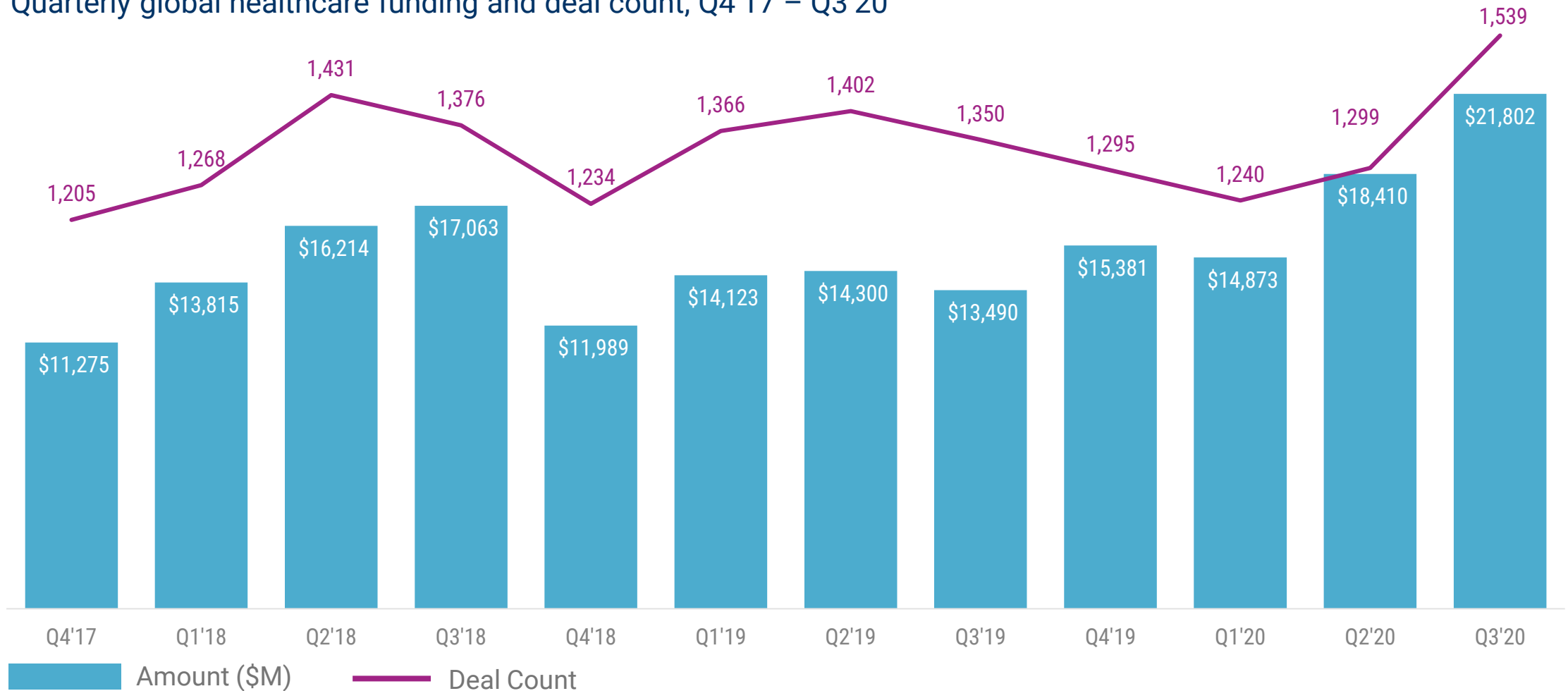


Q3'20 Global Healthcare Investment Trends



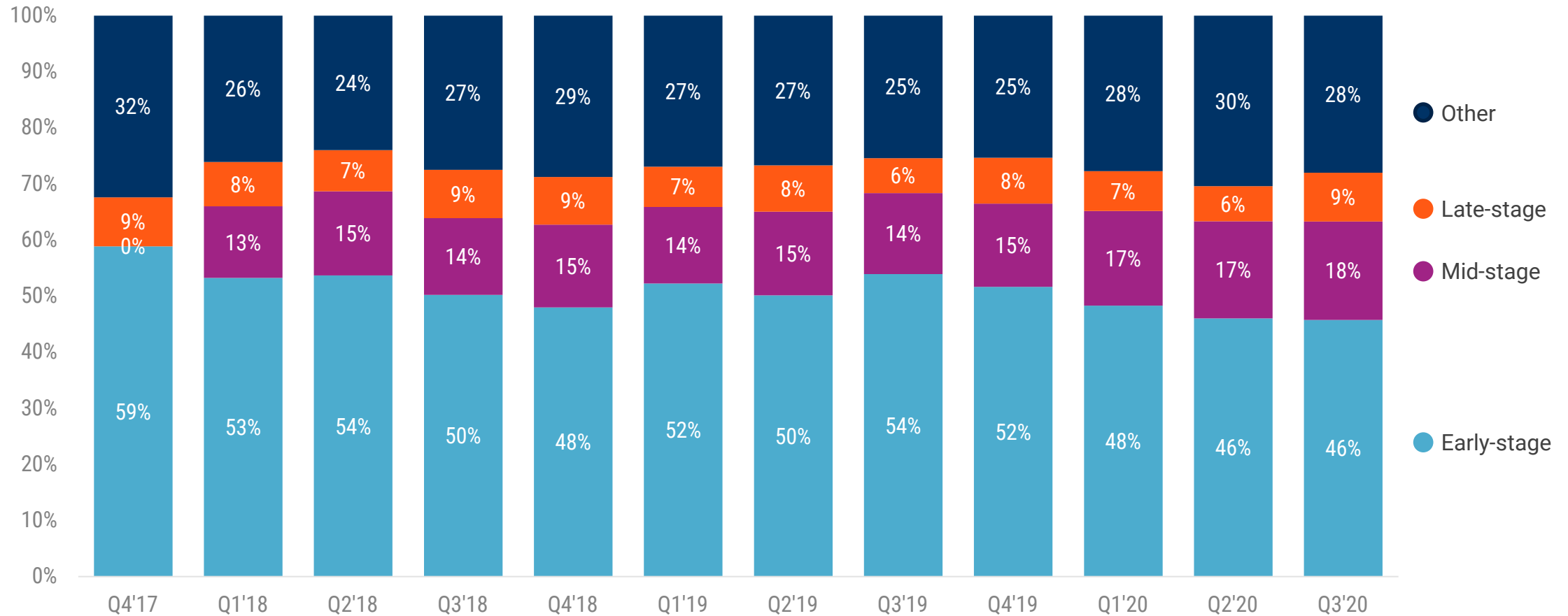
Deals and dollars saw a new record in Q3'20

Quarterly global healthcare funding and deal count, Q4'17 – Q3'20



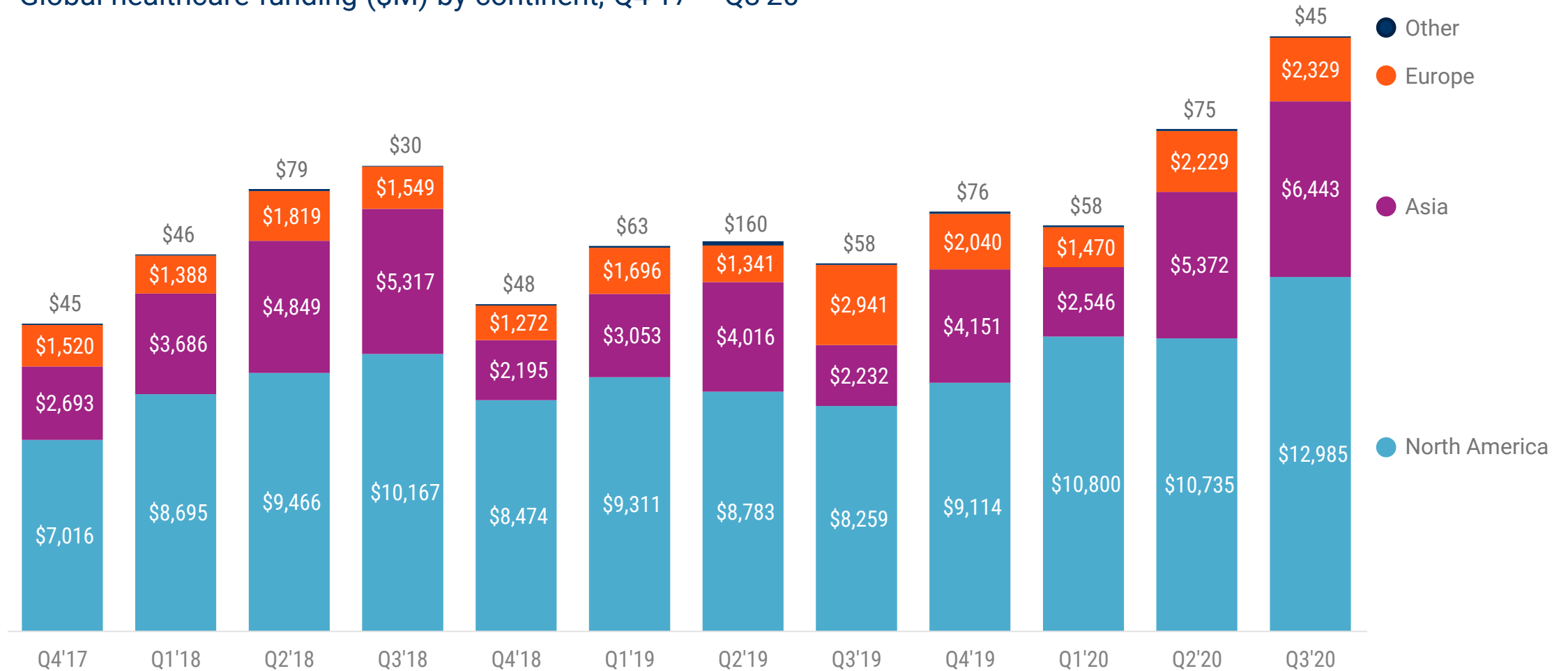
Late-stage deal activity picked up in Q3'20

Percentage share of global healthcare deals by stage, Q4'17 – Q3'20



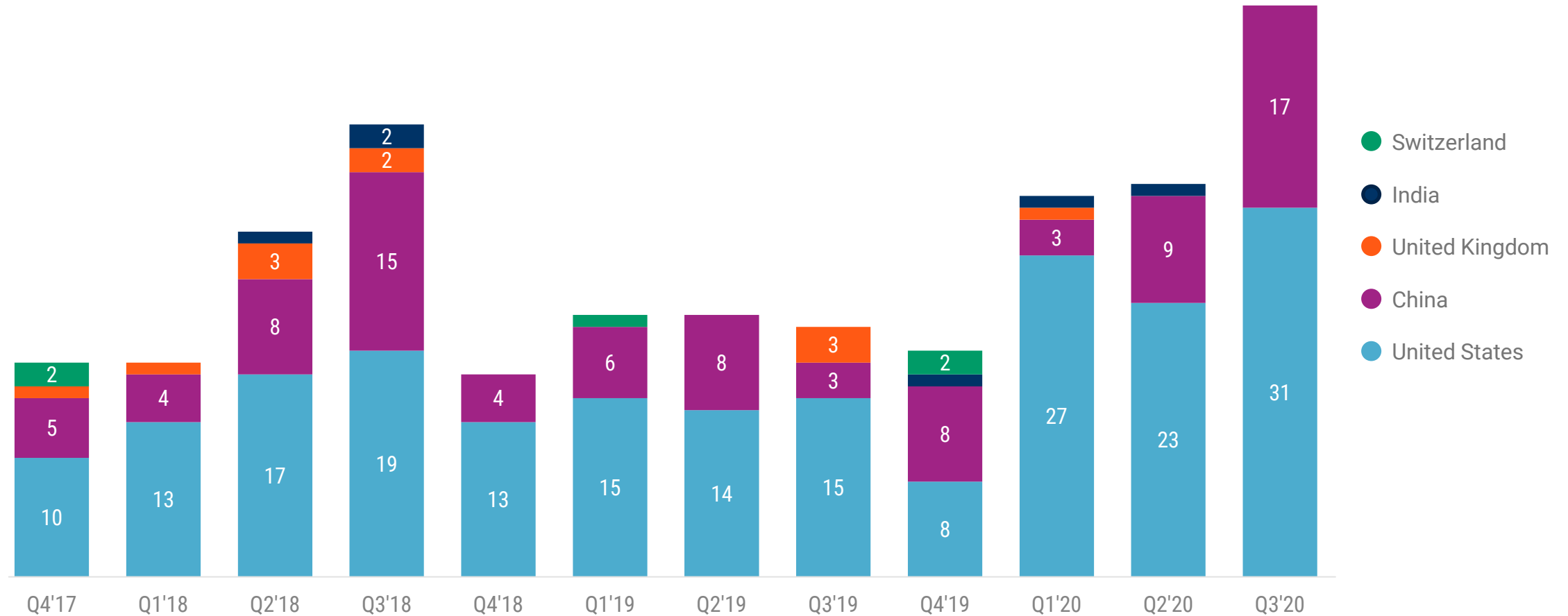
Funding in all 3 regions saw an uptick

Global healthcare funding (\$M) by continent, Q4'17 – Q3'20



US & China mega-rounds dominated in Q3'20

Quarterly healthcare mega-round deal count by country, Q4'17 – Q3'20



China-based deals grew more than 50% from Q2'20

Quarterly healthcare deals by country, Q4'17 – Q3'20






	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Total
United States	649	673	746	710	636	686	765	729	661	692	644	757	8,348
China (Incl.HK)	156	163	237	242	197	195	155	166	180	115	166	259	2,231
United Kingdom	47	56	58	57	57	64	58	50	55	62	60	62	686
Canada	35	52	42	40	41	50	51	37	38	39	47	43	515
South Korea	28	39	28	32	35	49	47	49	39	41	39	33	459
France	35	30	31	25	26	40	39	27	40	34	38	35	400
Japan	25	33	40	35	33	29	32	25	34	31	30	37	384
India	24	29	38	35	24	18	41	39	27	34	34	30	373
Germany	37	17	20	29	31	34	25	28	28	22	35	27	333
Israel	23	15	21	22	20	21	14	19	18	16	20	33	242
Switzerland	19	11	13	17	9	17	11	17	20	30	31	33	228
Sweden	15	11	20	14	8	15	22	12	12	24	17	16	186
Spain	9	15	13	9	11	8	10	13	12	15	15	26	156
Singapore	7	12	10	12	13	8	8	13	11	6	6	16	122
Netherlands	6	6	9	12	9	15	8	8	9	10	7	17	116
Australia	5	18	9	3	4	18	12	16	10	6	1	7	109

1 deal  765 deals

Top 10 global healthcare deals in Q3'20 (1/2)

Company	Deal Date // Amount Raised (\$M)	Total Disclosed Funding (\$M)	Select Investors	Description
	Aug'20 // \$830M	\$1,830M	Hillhouse Capital Management	China-based JD Health is a platform for online pharmacy, telemedicine, and other consumer health services.
	Sep'20 // \$500M	\$1,575M	Blackstone, New Enterprise Associates, Bessemer Venture Partners, Greenspring Associates	Bright Health is an online insurance marketplace that offers affordable Individual & Family and Medicare Advantage health plans.
	Sep'20 // \$319M	\$384M	Tencent Holdings, Mirae Asset Financial Group, SoftBank Group, Sequoia Capital China	XtalPi's AI platform predicts optimal crystal structures for small molecule drug R&D.
	Jul'20 // \$300M	\$343M	Gilead Sciences	Tizona Therapeutics develops cancer immunotherapies. Gilead's \$300M corporate minority investment includes the option to acquire Tizona in the future.
	Jul'20 // \$297M	\$1,281M	Qatar Investment Authority, GlaxoSmithKline	CureVac develops mRNA-based cancer immunotherapies and prophylactic vaccines against infectious diseases.

Top 10 global healthcare deals in Q3'20 (2/2)

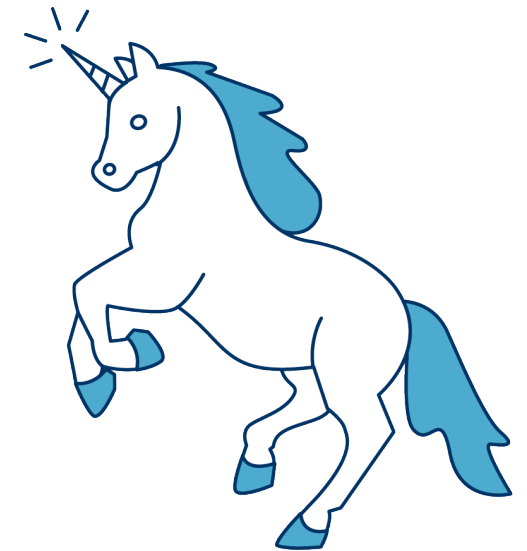
Company	Deal Date // Amount Raised (\$M)	Total Disclosed Funding (\$M)	Select Investors	Description
 VillageMD™	Jul'20 // \$275M	\$1,241M	Kinnevik, Walgreens Boots Alliance	VillageMD provides primary care services through its clinics along with at-home and virtual visits.
 freenome	Aug'20 // \$270M	\$509M	Andreessen Horowitz, Google Ventures, Novartis, Polaris Partners, Roche Venture Fund	Freenome develops liquid biopsy tests for early cancer detection, with an initial focus on colorectal cancer.
 Thrive. Earlier Detection	Jul'20 // \$257M	\$367M	The Blue Venture Fund, Third Rock Ventures, Perceptive Advisors, Intermountain Ventures	Thrive Earlier Detection develops a liquid biopsy test known as CancerSEEK, which is designed to screen for multiple types of cancers.
 RECURSION	Sep'20 // \$239M	\$504M	Epic Ventures, Felicis Ventures, Two Sigma Ventures, Obvious Ventures, Mubadala Ventures	Recursion Pharmaceuticals uses experimental biology and artificial intelligence to power its internal pipeline of drugs for rare diseases.
 水滴互助 · 水滴筹 · 水滴保 Waterdrop	Aug'20 // \$230M	\$480M	BlueRun Ventures, Sinovation Ventures, Swiss Reinsurance Company, Tencent Holdings	Waterdrop is a health insurance crowdfunding platform that allows people to contribute money when they are healthy and then access funds to pay for medical bills if they become ill.

GLOBALLY THERE ARE

41 HEALTHCARE UNICORNS

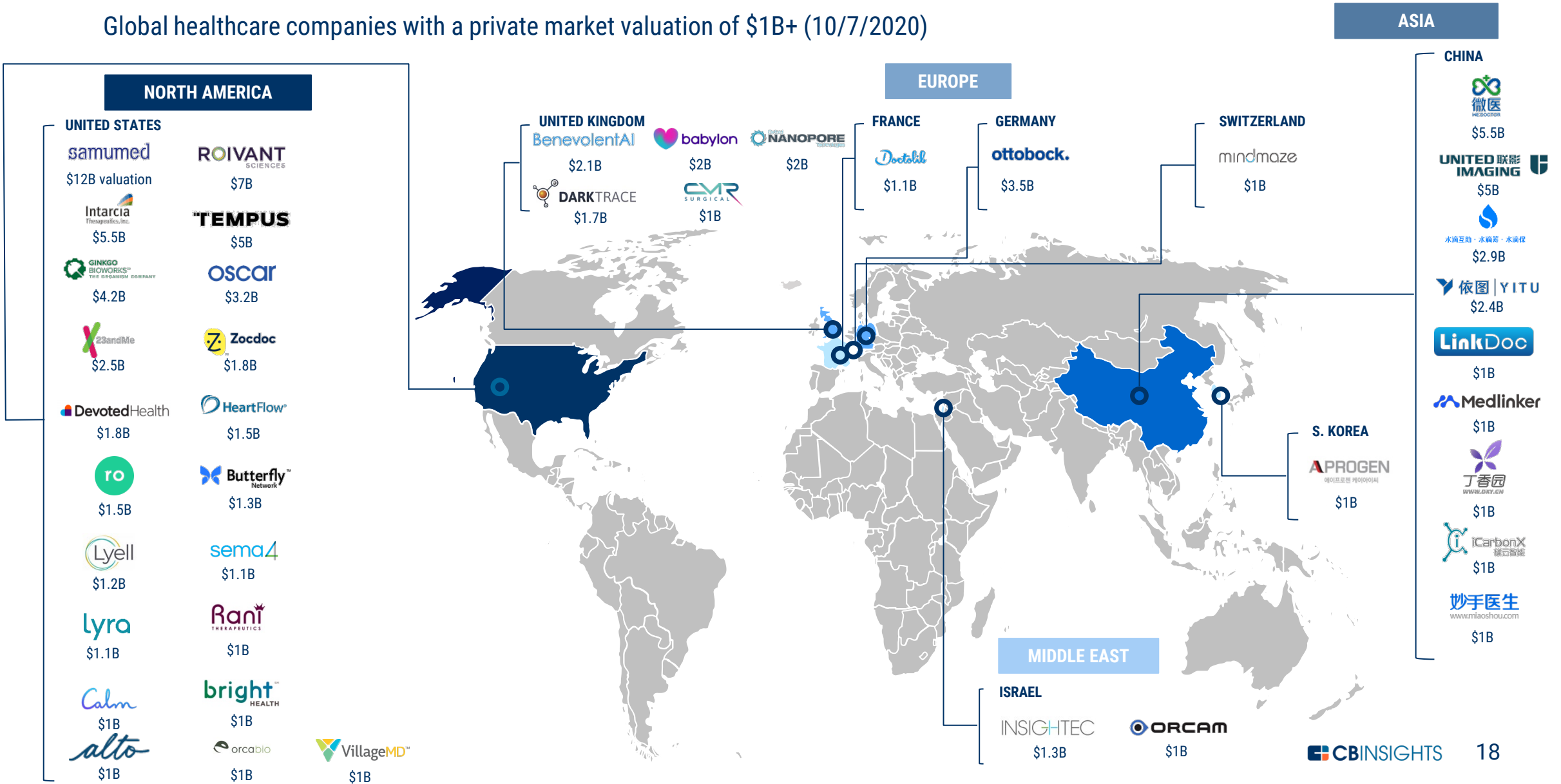
VALUED IN AGGREGATE AT

\$102B



41 healthcare unicorns valued at \$102B in total

Global healthcare companies with a private market valuation of \$1B+ (10/7/2020)



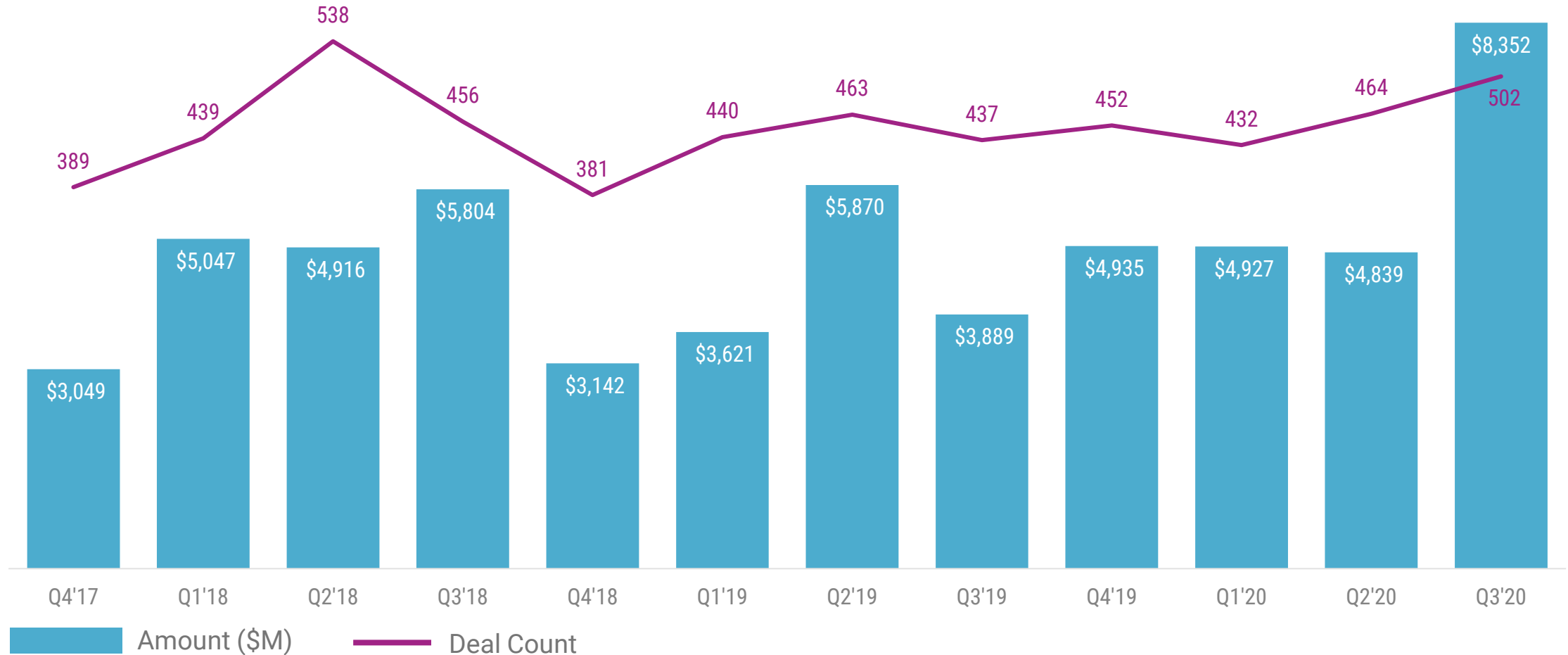


Q3'20 Global Digital Health Investment Trends



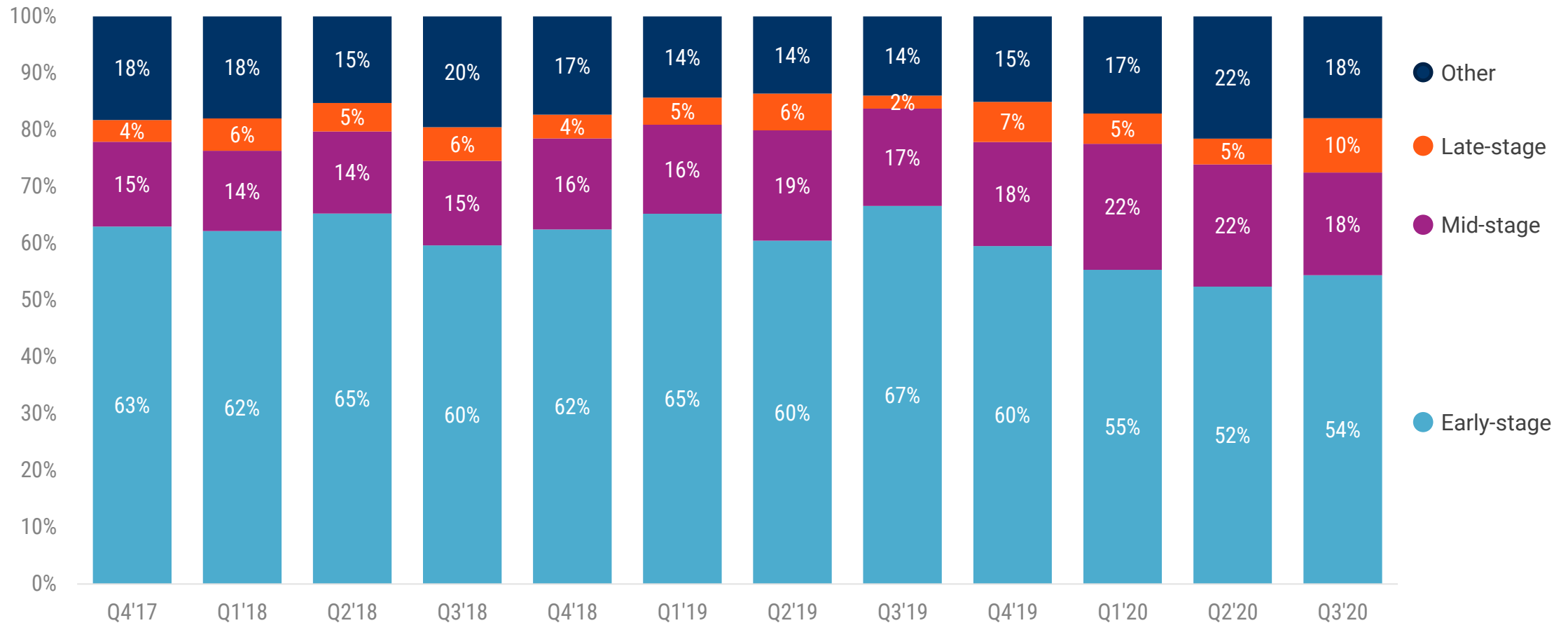
Funding surpassed \$8B while deals increased

Quarterly global digital health funding and deal count, Q4'17 – Q3'20



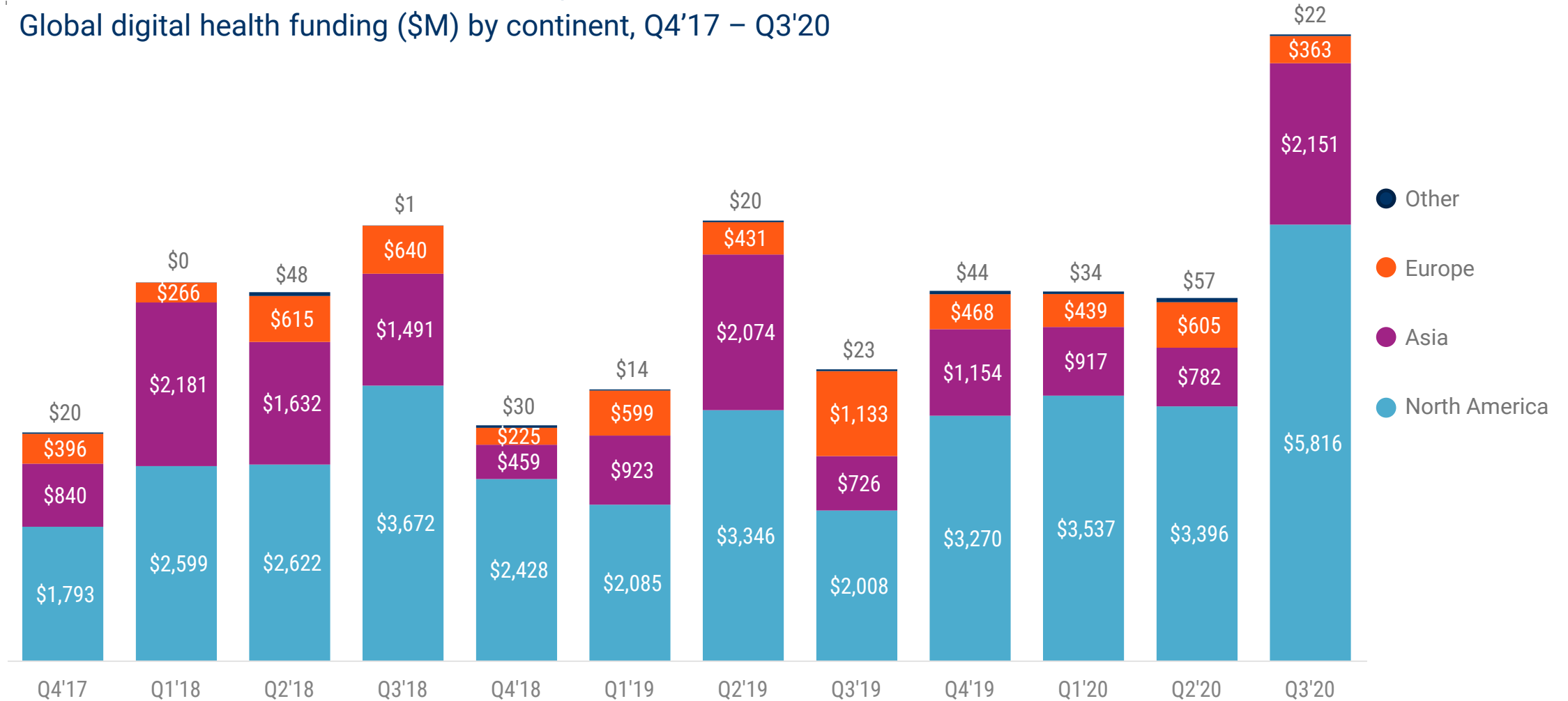
Late-stage deals grew in deal share from Q2'20

Percentage share of global digital health deals by stage, Q4'17 – Q3'20



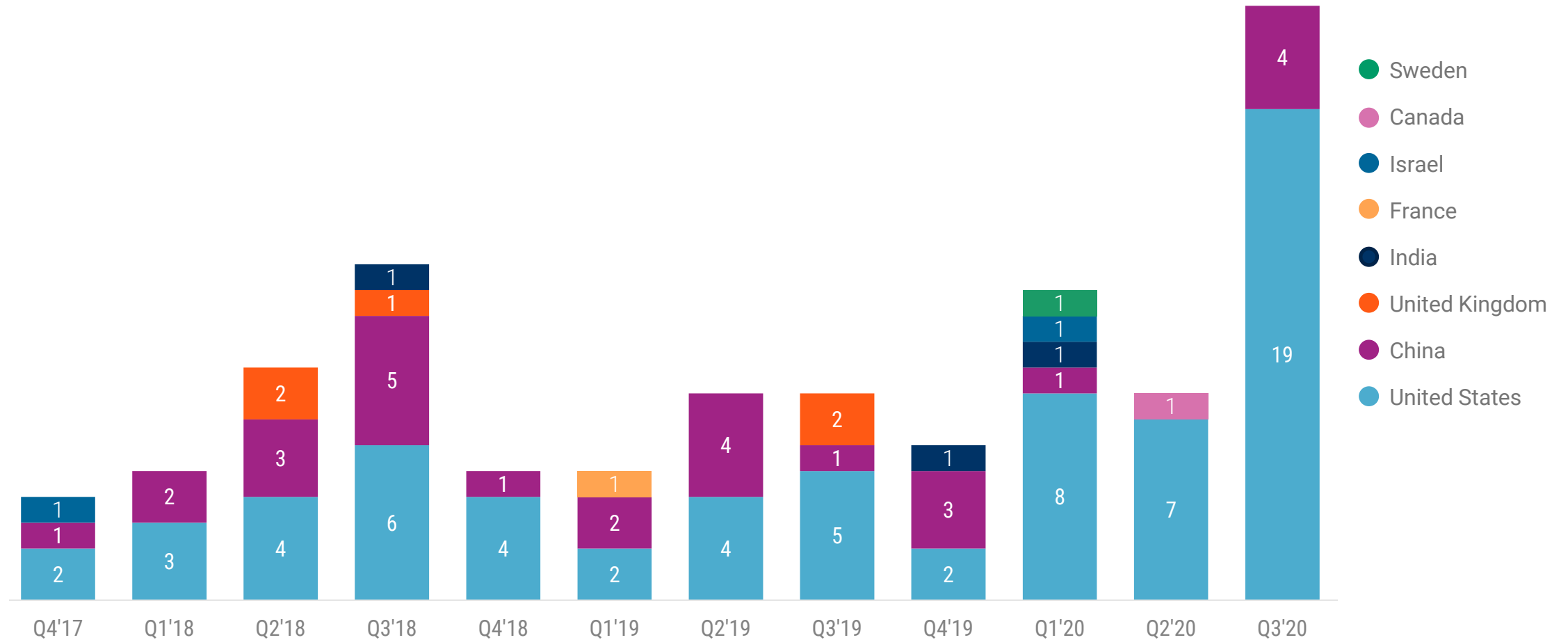
Asia saw a nearly 3x funding increase QoQ

Global digital health funding (\$M) by continent, Q4'17 – Q3'20



The US made up more than 75% of mega-rounds

Digital health mega-round deal count by country, Q4'17 – Q3'20



Both US and China saw a slight uptick in deals

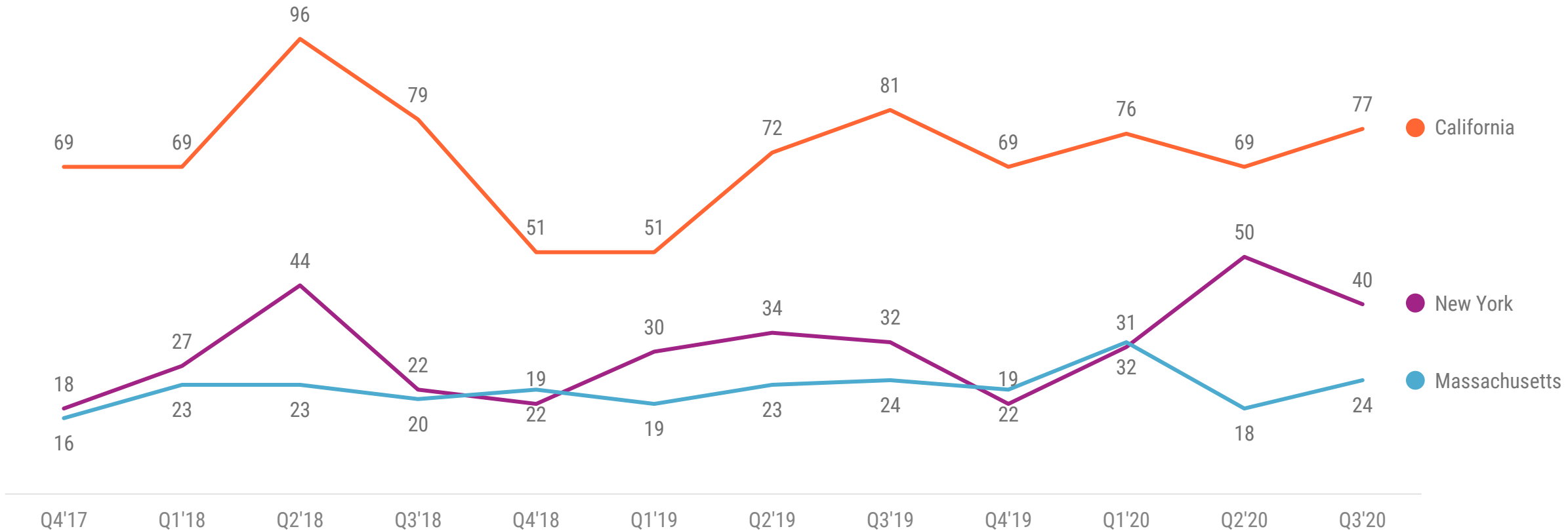
Quarterly digital health deals by country, Q4'17 – Q3'20

	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Total
United States	199	233	274	236	185	224	250	242	219	239	250	263	2,814
China (Incl.HK)	53	52	72	62	57	42	44	44	55	30	45	54	610
United Kingdom	21	21	21	22	17	26	22	17	18	21	20	25	251
India	11	16	22	19	5	8	19	16	15	14	12	17	174
Canada	6	22	19	11	9	17	16	10	15	12	20	13	170
South Korea	8	14	8	10	14	18	12	14	16	16	13	10	153
Japan	6	9	16	15	13	8	10	13	9	12	11	12	134
France	11	9	10	9	10	14	15	9	18	13	6	9	133
Germany	12	8	8	14	11	8	7	8	13	11	14	11	125
Sweden	6	5	13	9	3	11	14	6	5	13	8	6	99
Israel	6	6	10	9	5	6	2	7	5	8	8	15	87
Singapore	2	6	5	8	4	6	4	5	4	3	4	5	56
Australia	5	5	8		1	9	5	8	5	5		2	53
Brazil	1		3	3	4	3	2	3	3	5	6	5	38
Spain	1	6	3	1	4	1	1	2	2	6	5	4	36
Netherlands	1		5	6	5	3	2	1	4	2		5	34

1 deal  274 deals






California & Massachusetts saw an increase in deal activity

Digital health deals by US state, Q4'17 – Q3'20








California saw an uptick in deal activity, with 77 deals

Top digital health deals in California, Q3'20

Company	Deal Date // Amount Raised (\$M)	Total Disclosed Funding (\$M)	Select Investors	Description
 Freenome	Aug'20 // \$270M	\$510M	Fidelity Investments, Bain Capital, Google Ventures, Novartis, Polaris Partners, Perceptive Advisors	Freenome develops liquid biopsy tests for early cancer detection, with an initial focus on colorectal cancer.
 GRAND ROUNDS	Sep'20 // \$175M	\$281M	Greylock Partners, Harrison Metal, The Carlyle Group, Venrock	Grand Rounds offers a virtual platform that helps employees navigate their health benefits and get access to high-quality medical care.
 Encoded THERAPEUTICS	Jul'20 // \$135M	\$239M	Menlo Ventures, ARCH Venture Partners, Matrix Capital Management, Illumina Ventures	Encoded Therapeutics develops a genomics-driven discovery platform for viral gene therapies through screening and computational methods.
 Atomwise	Aug'20 // \$123M	\$176M	Y Combinator, Tencent Holdings, Data Collective, AME Cloud Ventures, B Capital Group, Baidu Ventures	Atomwise's neural networks create 3D models of molecular compounds and simulate biochemical reactions to predict if compounds will bind to target proteins.
 Lyra	Aug'20 // \$110M	\$284M	Meritech Capital Partners, Adams Street Partners, Greylock Partners, Casdin Capital	Lyra Health provides mental health benefits. Through its digital platform, employees and dependents can access therapists, coaches, and medication prescribing.






New York saw a 20% decline QoQ in deal activity

Top digital health deals in New York, Q3'20

Company	Deal Date // Amount Raised (\$M)	Total Disclosed Funding (\$M)	Select Investors	Description
	Jul'20 // \$200M	\$377M	FirstMark Capital, General Catalyst, The Chernin Group, BoxGroup, Initialized Capital	Ro powers D2C digital health clinics: Roman for men's health, Rory for women's health, and Zero for smoking cessation. Ro Pharmacy also offers generic medications for \$5 per month.
	Jul'20 // \$100M	\$100M	Volition Capital, Greycroft, Lerer Hippeau Ventures, Horsley Bridge Partners	Medly Pharmacy provides a full-service digital pharmacy for scheduling prescription deliveries.
	Sep'20 // \$62M	\$62M	Spectrum Equity, The Blue Venture Fund	PWNHealth develops diagnostic testing and care intervention solutions for various healthcare stakeholders.
	Jul'20 // \$54M	\$139M	Thrive Capital, 8VC, Kinnevik, Redpoint Ventures, EmblemHealth, Alphabet	Cityblock Health provides health care services for underserved communities, including primary care, behavioral health, and social services.
	Aug'20 // \$47M	\$65M	Polaris Partners, Northzone Ventures, Maveron, Johnson & Johnson Innovation	Thirty Madison develops D2C telehealth solutions for chronic conditions. Current offerings include treatments for hair loss, migraines, and chronic acid reflux.

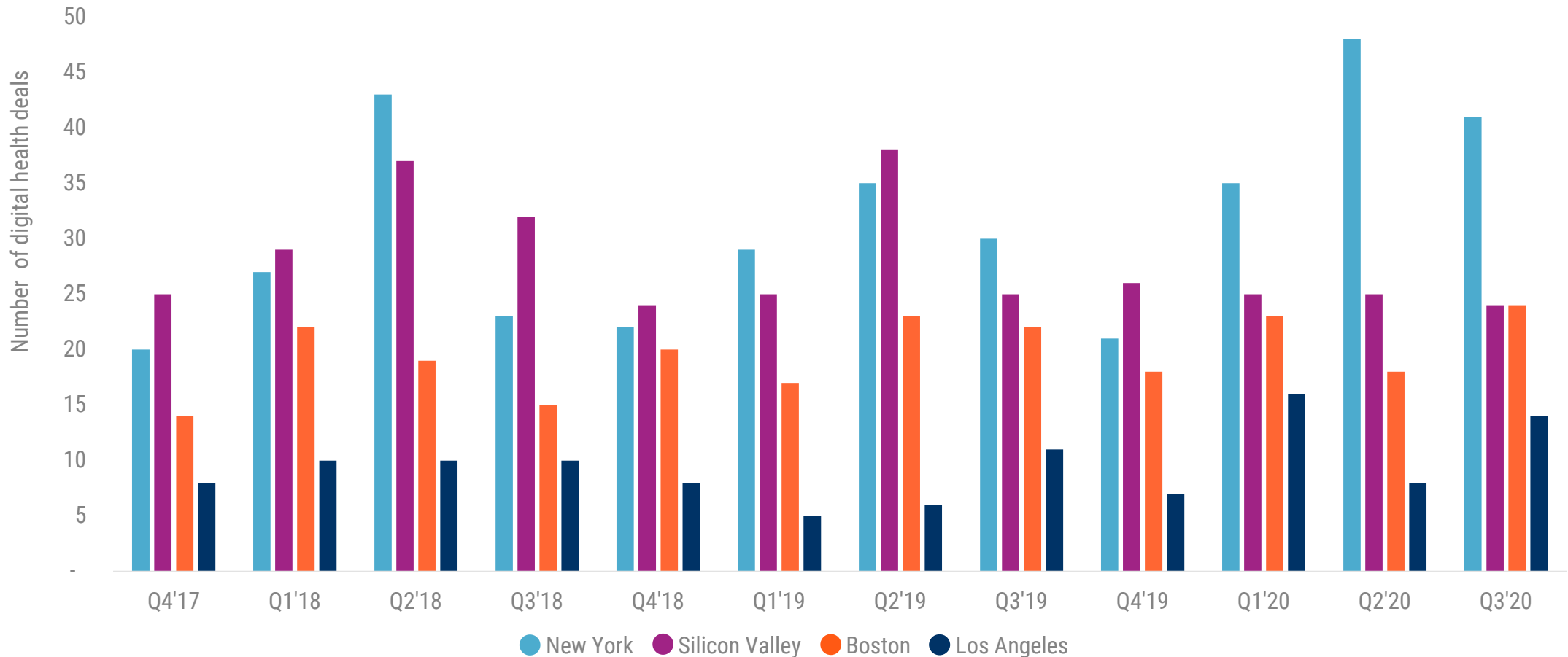
Massachusetts saw an increase to 24 deals in Q3'20

Top digital health deals in Massachusetts, Q3'20






Company	Deal Date // Amount Raised (\$M)	Total Disclosed Funding (\$M)	Select Investors	Description
 XtalPi	Sep'20 // \$319M	\$384M	Tencent Holdings, China Securities Investment, Mirae Asset Financial Group, SoftBank Group	XtalPi's AI platform predicts optimal crystal structures for small molecule drug R&D.
 Thrive. Earlier Detection	Jul'20 // \$257M	\$367M	Casdin Capital, The Blue Venture Fund, Third Rock Ventures	Thrive Earlier Detection develops a liquid biopsy test known as CancerSEEK, which is designed to screen for multiple types of cancers.
 biofourmis	Sep'20 // \$100M	\$142M	Sequoia Capital, MassMutual Ventures, OpenSpace Ventures, SoftBank Group, EDBI	Biofourmis develops AI-powered software-based therapeutics using wearables and its analytics platform across multiple therapeutic areas.
 amwell	Aug'20 // \$100M	\$801M*	Google Cloud Platform	AmWell offers a telehealth platform for urgent, acute, and post-acute care. It also offers remote chronic care management solutions.
FINCH THERAPEUTICS 	Sep'20 // \$90M	\$186M	Avenir Growth Capital, Susquehanna International Group, Octave Life Sciences, Humboldt Fund	Finch Therapeutics uses its machine learning platform for drug discovery & development of microbiome-based therapies.

NY metro area maintains its lead in deal activity






Top 4 US metro areas for digital health deals, Q4'17 – Q3'20



Top 10 global digital health deals in Q3'20 (1/2)

Company	Deal Date // Amount Raised (\$M)	Total Disclosed Funding (\$M)	Select Investors	Description
	Aug'20 // \$830M	\$1,830M	Hillhouse Capital Management	China-based JD Health is a platform for online pharmacy, telemedicine, and other consumer health services.
	Sep'20 // \$500M	\$1,575M	Blackstone, New Enterprise Associates, Bessemer Venture Partners, Greenspring Associates	Bright Health is an online insurance marketplace that offers affordable Individual & Family and Medicare Advantage health plans.
	Sep'20 // \$319M	\$384M	Tencent Holdings, Mirae Asset Financial Group, SoftBank Group, Sequoia Capital China	XtalPi's AI platform predicts optimal crystal structures for small molecule drug R&D.
	Jul'20 // \$275M	\$1,241M	Kinnevik, Walgreens Boots Alliance	VillageMD is a national provider of value-based primary care services through traditional freestanding clinics and at-home & virtual visits.
	Aug'20 // \$270M	\$509M	Fidelity Investments, Bain Capital, Google Ventures, Novartis, Polaris Partners, Perceptive Advisors	Freenome develops liquid biopsy tests for early cancer detection, with an initial focus on colorectal cancer.

Top 10 global digital health deals in Q3'20 (2/2)

Company	Deal Date // Amount Raised (\$M)	Total Disclosed Funding (\$M)	Select Investors	Description
 <p>Thrive. Earlier Detection</p>	Jul'20 // \$257M	\$367M	Casdin Capital, The Blue Venture Fund, Third Rock Ventures, Gamma 3, Exact Sciences	Thrive Earlier Detection develops a liquid biopsy test known as CancerSEEK, which is designed to screen for multiple types of cancers.
 <p>RECURSION</p>	Sep'20 // \$239M	\$504M	Epic Ventures, Felicis Ventures, Two Sigma Ventures, Leaps by Bayer, Data Collective	Recursion Pharmaceuticals uses experimental biology and artificial intelligence to power its internal pipeline of drugs for rare diseases.
 <p>水滴互助 · 水滴筹 · 水滴保 Waterdrop</p>	Aug'20 // \$230M	\$480M	Swiss Reinsurance Company, DianLiang Capitals, Tencent Holdings, Meituan Dianping	Waterdrop is a health insurance crowdfunding platform that allows people to contribute money when they are healthy and then access funds to pay for medical bills if they become ill.
 <p>ro</p>	Jul'20 // \$200M	\$377M	Initialized Capital, General Catalyst, TQ Ventures, BoxGroup	Ro offers telehealth services through its 3 brands: Roman, Rory, and Zero. It also offers online pharmacy services.
 <p>太美医疗科技 TAIMEI TECHNOLOGY</p>	Sep'20 // \$176M	\$454M	SoftBank China Venture Capital, Hillhouse Capital Management, Matrix Partners China	Taimei Technology develops a suite of AI-enabled software products in clinical research.



Q3'20 Healthcare Industry Highlights



Companies developing medical devices that aid in the diagnosis, cure, mitigation, treatment, monitoring, or prevention of disease

Companies developing products and services to streamline drug R&D (drug discovery, pre-clinical testing, clinical trials)

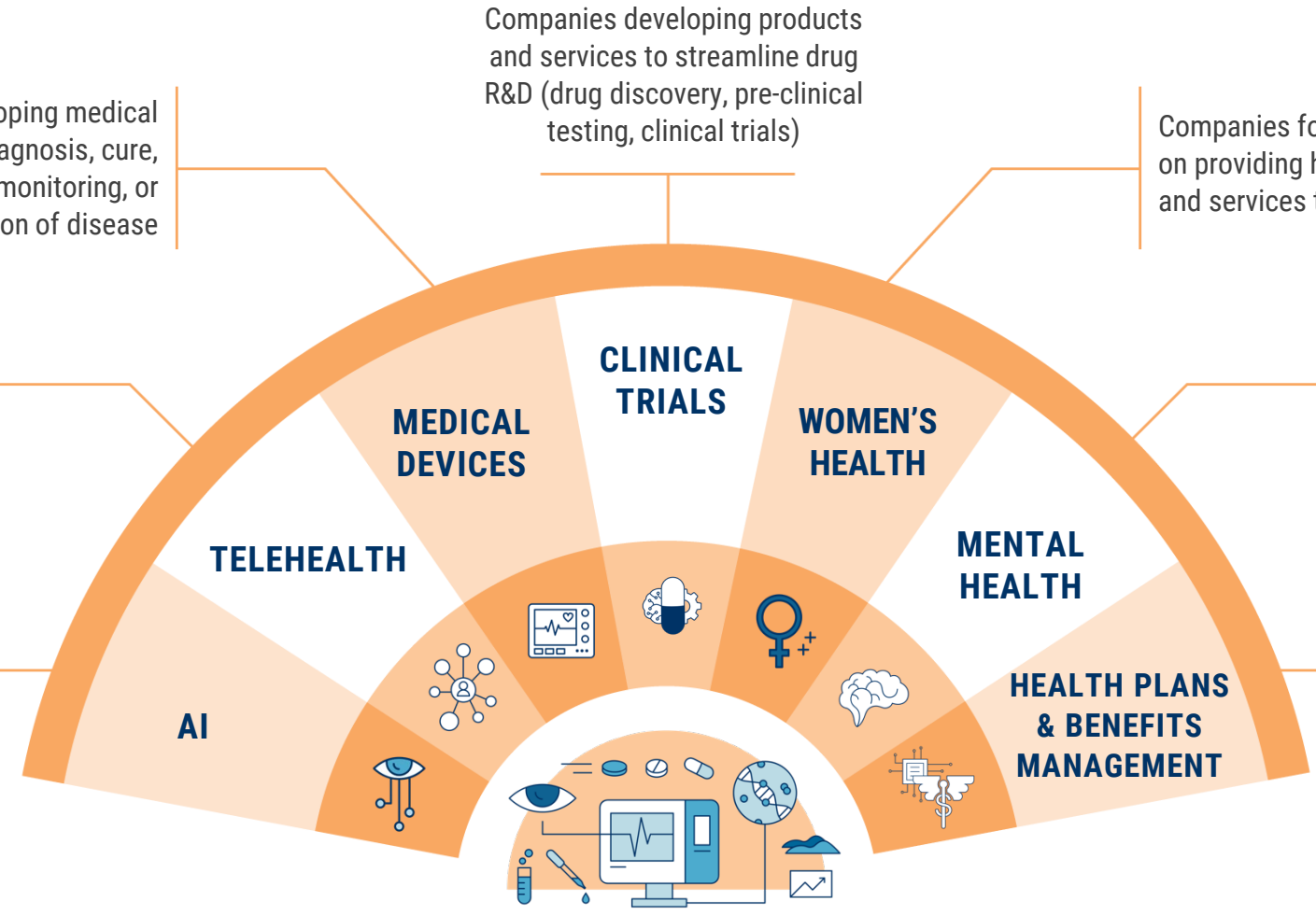
Companies focused specifically on providing healthcare products and services to women

Companies using technology to remotely deliver clinical health services to patients

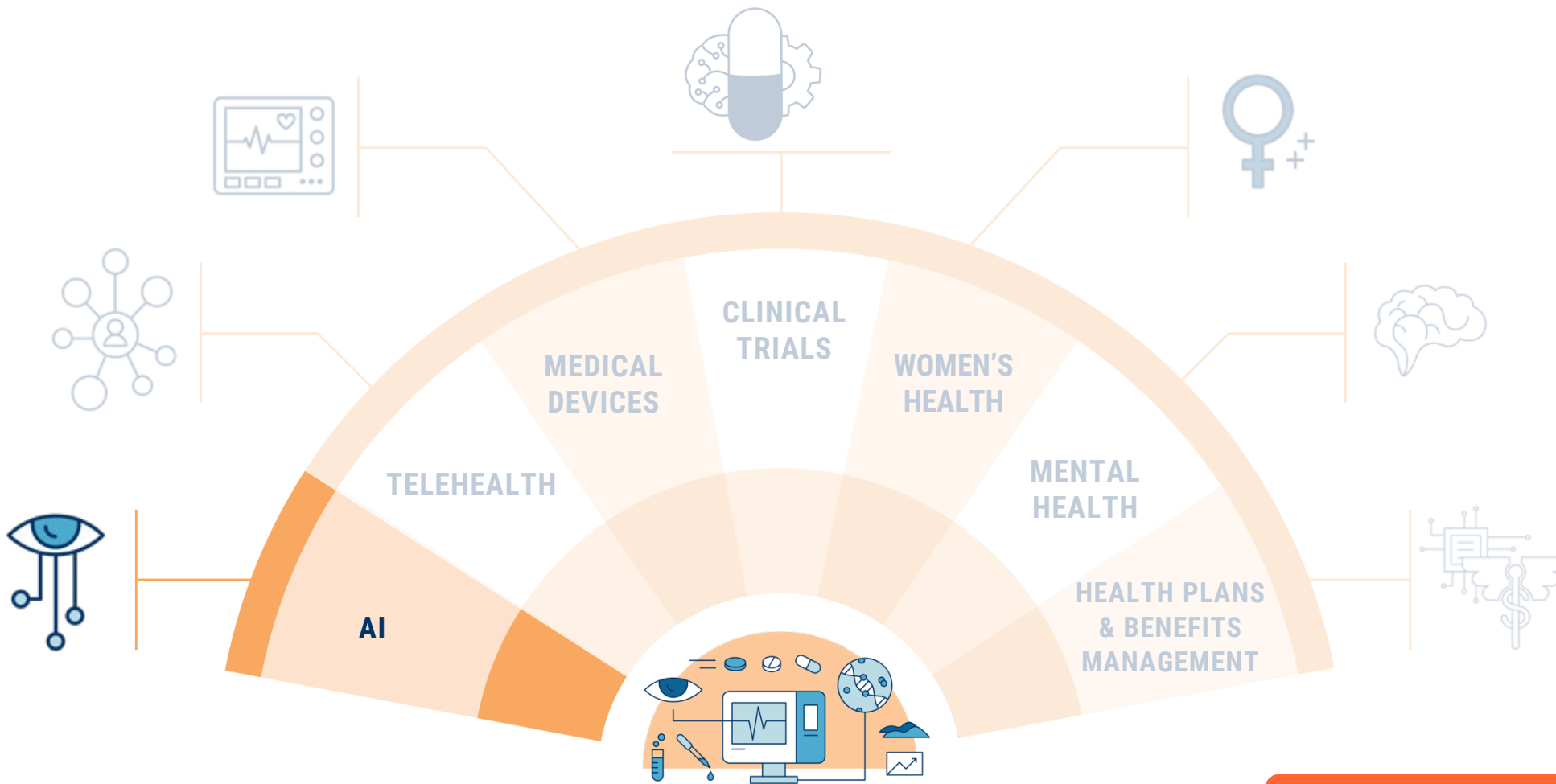
Companies applying technology to problems of emotional, psychological, and social well-being

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

Companies enabling more transparent and comprehensive private healthcare at a lower cost



GLOBAL HEALTHCARE REPORT Q3'20

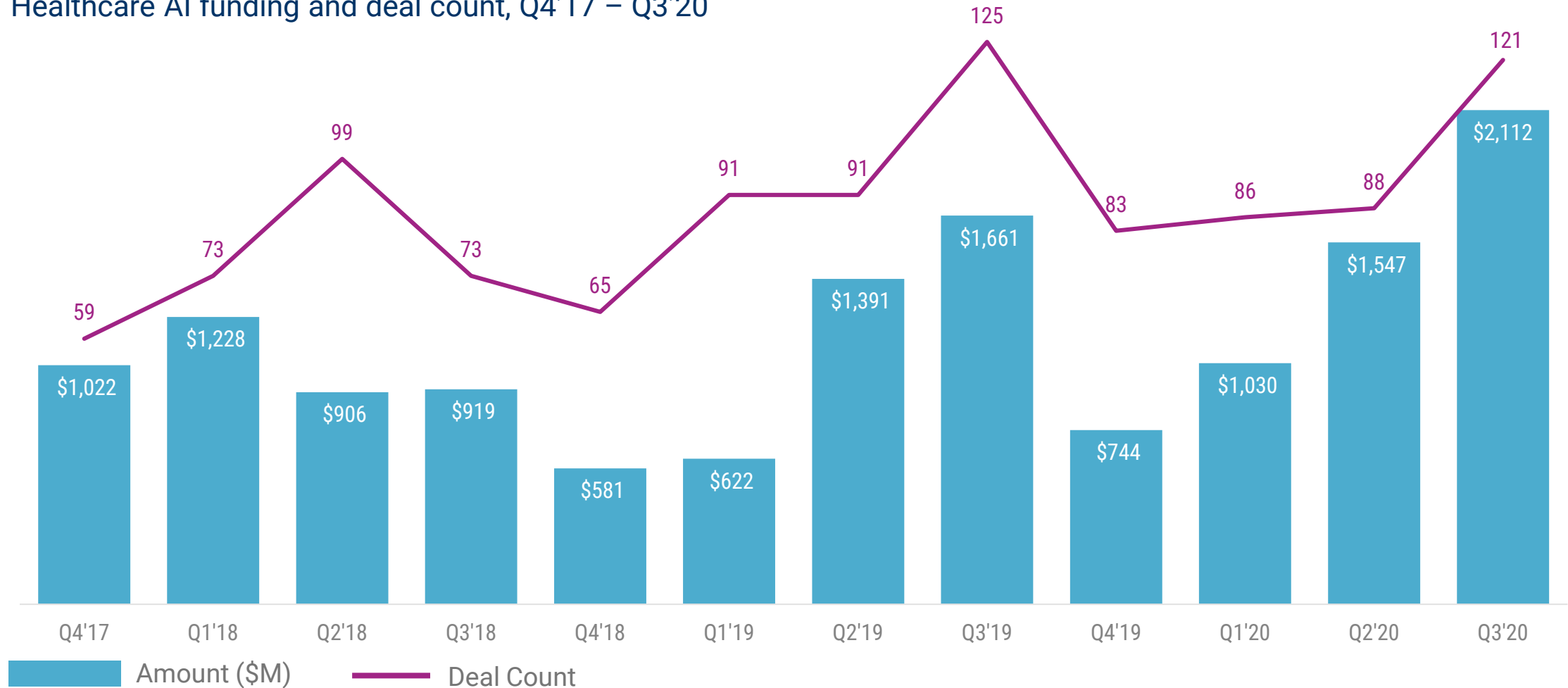


GLOBAL HEALTHCARE REPORT Q3'20

Artificial Intelligence In
Healthcare Collection



Healthcare AI startups raised over \$2B in Q3'20

Healthcare AI funding and deal count, Q4'17 – Q3'20



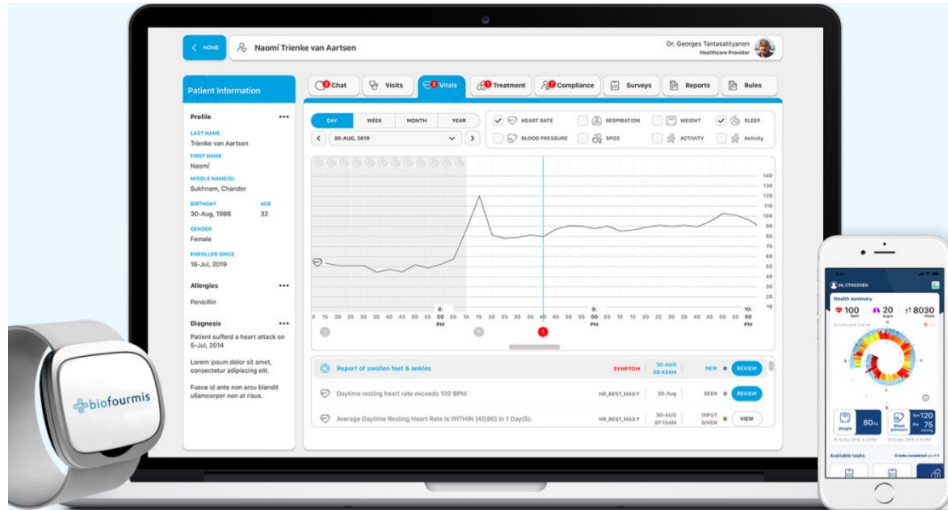
HIGHLIGHT #1: TOP 5 HEALTHCARE AI DEALS OF Q3'20

Drug R&D leads top healthcare AI rounds again

Company	Deal Date // Amount Raised (\$M)	Total Disclosed Funding (\$M)	Select Investors	Description
 XtalPi	Sep'20 // \$319M	\$384M	Sequoia Capital China, Tencent Holdings, SoftBank Group, Morningside Venture Capital	XtalPi's AI platform predicts optimal crystal structures for small molecule drug R&D.
 freenome	Aug'20 // \$270M	\$509M	Google Ventures, Kaiser Permanente Ventures, T. Rowe Price, Andreessen Horowitz, Bain Capital, Novartis	Freenome uses machine learning to detect cancer-linked cell-free biomarkers circulating in the blood.
 RECURSION	Sep'20 // \$239M	\$504M	Felicis Ventures, Lux Capital, Epic Ventures, Leaps by Bayer, Two Sigma Ventures, Baillie Gifford & Co.	Recursion Pharmaceuticals uses experimental biology and artificial intelligence to power its internal pipeline of drugs for rare diseases.
 Atomwise	Aug'20 // \$123M	\$176M	Y Combinator, Tencent Holdings, Data Collective, AME Cloud Ventures, B Capital Group, Baidu Ventures	Atomwise's neural networks create 3D models of molecular compounds and simulate biochemical reactions to predict if compounds will bind to target proteins.
 Olive	Sep'20 // \$106M	\$233M	Khosla Ventures, Silicon Valley Bank, General Catalyst, SVB Capital, NCT Ventures	Olive combines robotic process automation (RPA), computer vision, and machine learning to automate administrative workflows, such as claims processing.

HIGHLIGHT #2: FIRST AI REMOTE PATIENT MONITORING (RPM) MEGA-ROUND

Biofourmis mega-round is a first for AI RPM



Latest Round: Series C (9/2/20)
Amount: \$100M
Round Investors: Sequoia Capital, SoftBank Group, MassMutual Ventures, OpenSpace Ventures, EDBI

About: Biofourmis combines wearables and an AI platform to track users' vitals and provide predictive insights into health, from monitoring oncology patients to patient rehospitalization risk. The company recently partnered with the University of Hong Kong to discover physiological signals in Covid-19 patients.

HIGHLIGHT #3: COVID-19 PROPELS AI ADOPTION

RPM & diagnostics further adopt AI amid Covid-19

GE healthcare and Lunit expand AI partnership to improve COVID-19 care

July 14, 2020 | 

NIH harnesses AI for COVID-19 diagnosis, treatment, and monitoring

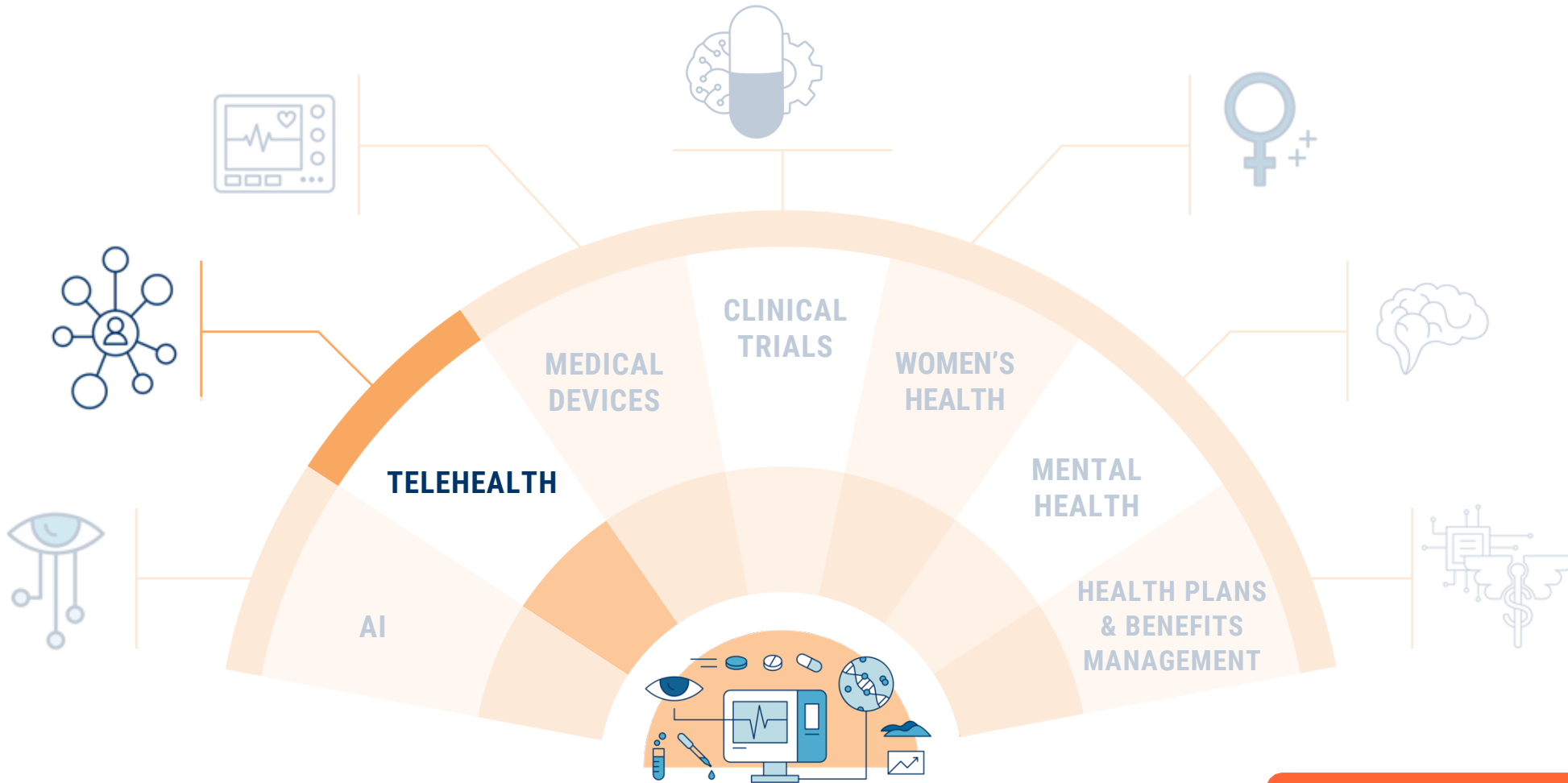
August 5, 2020 | 

Biofourmis' AI-Powered Remote Monitoring Platform Deployed to Monitor COVID-19 Patients in Singapore

July 29, 2020 | 

Artificial DoD, Philips Use Artificial Intelligence to Monitor COVID-19 in COVID-19 drug repurposing

September 18, 2020 | 

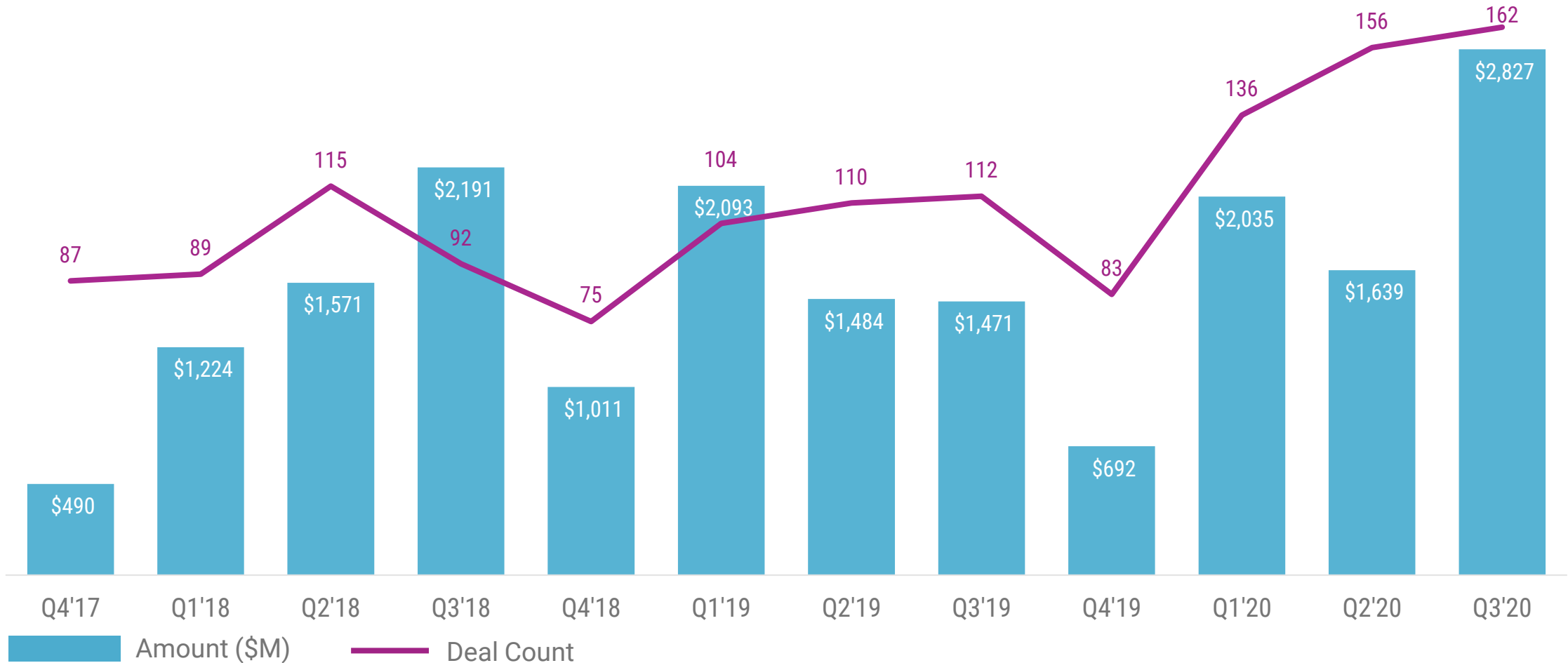


GLOBAL HEALTHCARE REPORT Q3'20

[Telehealth Collection](#)






Telehealth deals and dollars set new records

Telehealth funding and deal count, Q4'17 – Q3'20



HIGHLIGHT #1: NEARLY \$900M WAS RAISED ACROSS THE 5 LARGEST DEALS

The top 5 deals had 30%+ share of Q3 funding

Company	Deal Date // Amount Raised (\$M)	Total Disclosed Funding (\$M)	Select Investors	Description
 VillageMD®	Jul'20 // \$275M	\$1,241M	Kinnevik, Walgreens Boots Alliance	VillageMD is a national provider of value-based primary care services through traditional free-standing clinics and at-home & virtual visits.
	Jul'20 // \$200M	\$377M	FirstMark Capital, General Catalyst, The Chernin Group, BoxGroup, Initialized Capital	Ro powers D2C digital health clinics: Roman for men's health, Rory for women's health, and Zero for smoking cessation. Ro Pharmacy also offers generic medications for \$5 per month.
 GRAND ROUNDS®	Sep'20 // \$175M	\$281M	The Carlyle Group	Grand Rounds matches employers and employees to high-quality healthcare. The company plans to use its latest funding to scale its clinical navigation and virtual primary care operations nationwide.
 Preventice SOLUTIONS	Jul'20 // \$137M	\$137M	Novo Holdings, Boston Scientific, Merck Global Health Innovation Fund, Samsung Catalyst	Preventice Solutions is an innovative healthcare company focused on mobile health solutions and remote monitoring services that connect physicians and patients threatened by cardiac arrhythmias.
 Lyra	Aug'20 // \$110M	\$284M	Meritech Capital Partners, Adams Street Partners, Greylock Partners, Casdin Capital	Lyra Health provides mental health benefits. Through its digital platform, employees and dependents can access therapists, mental health coaches, and personalized medication prescribing.

HIGHLIGHT #2: RETAILERS EYE TELEHEALTH

Retail leaned further into telehealth

Instacart partners with Doctor on Demand

August 20, 2020 | 

Sam's Club partners with Seattle startup 98point6 to offer customers telehealth service

September 22, 2020 | 

Kroger gets FDA authorization for at-home COVID test*

July 1, 2020 | 

**The test must be performed under telehealth guidance from a healthcare professional.*

Walgreens Boots Alliance invests in VillageMD to open 500+ medical clinics, expand telehealth

July 8, 2020 | 

HIGHLIGHT #3: CLOUDMD WAS AN ACTIVE ACQUIRER

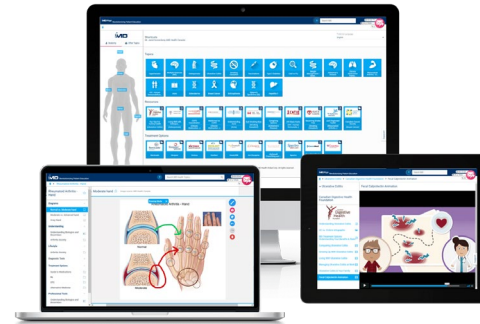
CloudMD made 4 acquisitions in Q3'20



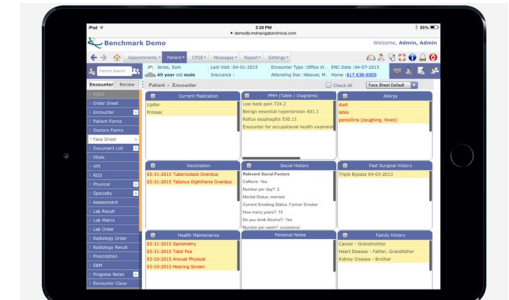
Snapclarity is an on-demand digital mental health platform used by employers, individuals, therapists, and insurers. In July, CloudMD acquired it for \$3.4M to expand its suite of enterprise virtual care solutions.



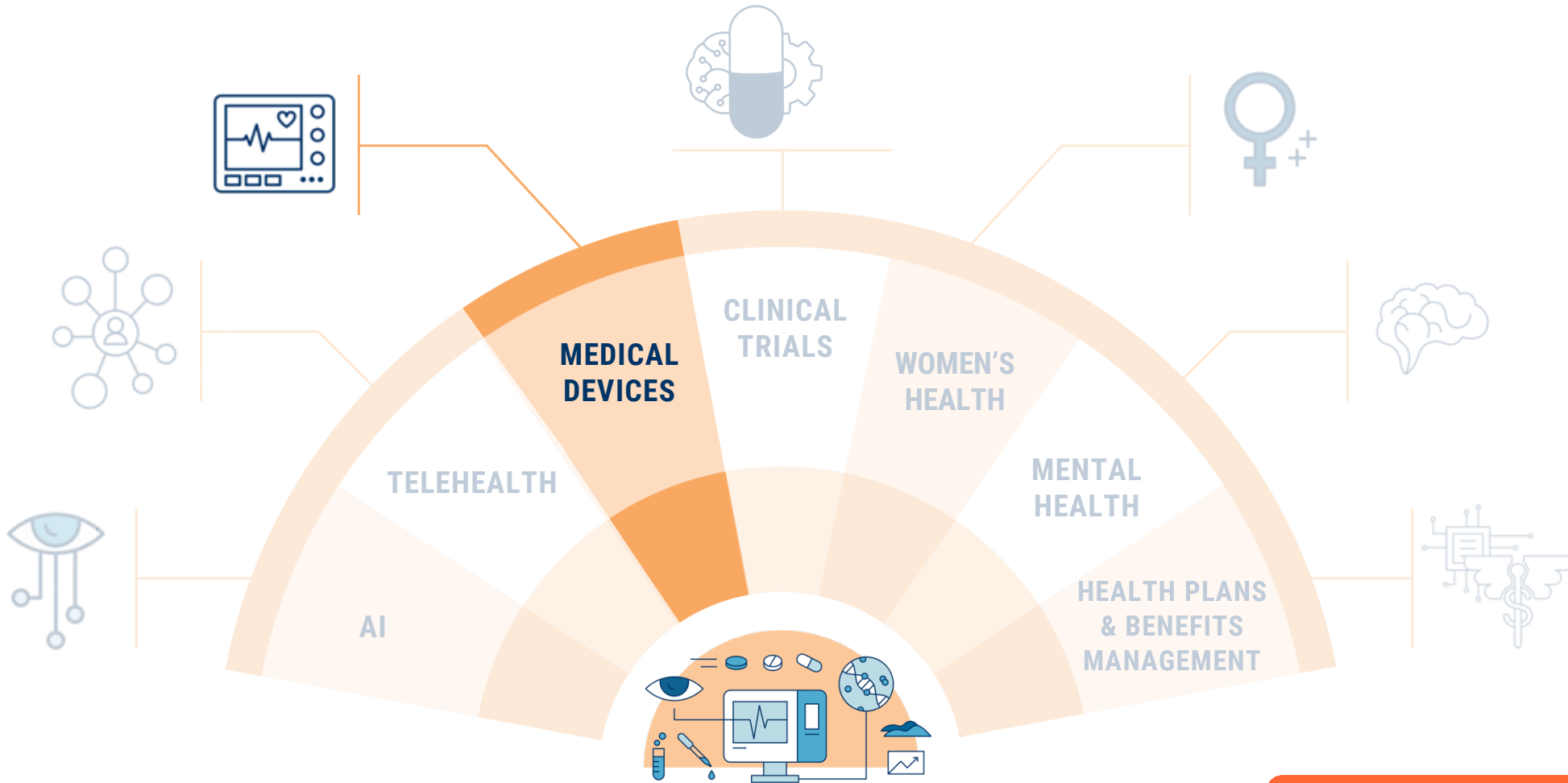
Re:Function Health Group is a rehab clinic network in British Columbia, CA. In August, CloudMD acquired it to expand the network of mental, occupational, and physical therapists available to its users.



iMD Health is a digital platform used to engage, inform, and educate patients. CloudMD acquired it in September, gaining access to the 7.5M patients and 10,000 professionals using the platform.



Benchmark Systems is a cloud-based practice management, billing, and telehealth-enabled EHR provider serving the US market. In September, CloudMD acquired a majority stake in the company.

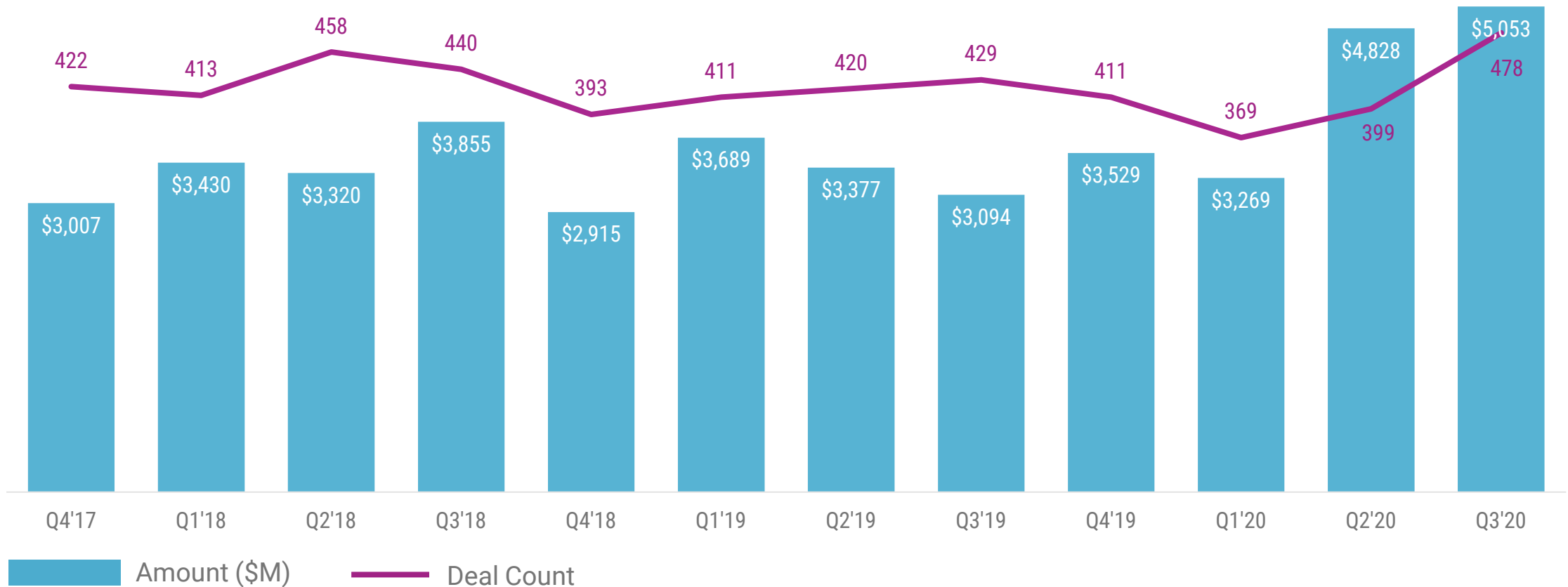


GLOBAL HEALTHCARE REPORT Q3'20

**Medical Devices
Collection**

Medical device companies raised over \$5B

Medical device funding and deal count, Q4'17 – Q3'20



HIGHLIGHT #1: ROBOTIC SURGERY COMPANIES RAISED CAPITAL AMID ELECTIVE PROCEDURE DROUGHT

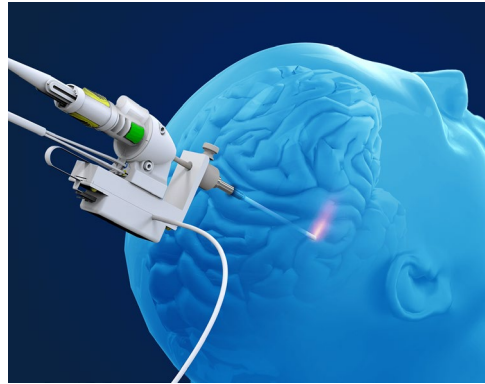
Robotic surgery deal share spanned all stages

PROCEPT
BIOROBOTICS



PROCEPT BioRobotics closed a **\$77M Series F round**, bringing total funding to \$264M. Its AquaBeam system is an autonomous surgical robot that performs prostate resection via aquablation therapy.

MONTERIS
MEDICAL



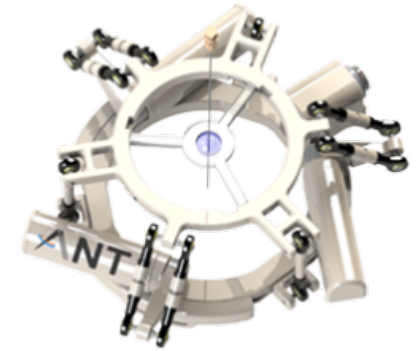
Monteris Medical closed a **\$9M Series D – II round**, bringing total funding to \$134M. Its NeuroBlade is a minimally invasive, MRI-guided, robotic laser ablation system designed for use in the brain.

VICARIOUS
SURGICAL



Vicarious Surgical closed a **\$13M Series B round**, bringing total funding to \$44M. Its VR-enhanced robotic surgical system was granted Breakthrough Designation by the FDA in 2019.

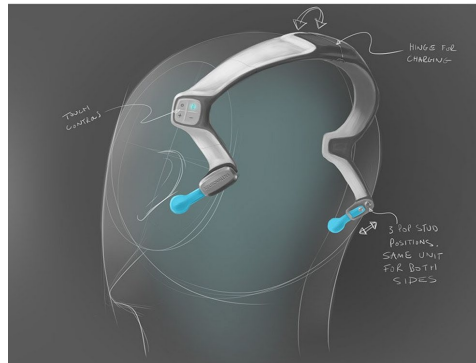
NDR
MEDICAL TECHNOLOGY



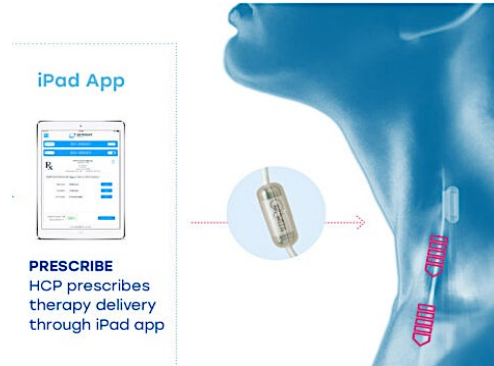
Singapore-based NDR Medical Technologies closed a **\$6M Series A round** to support development of its computer vision-enabled robotic needle positioning system.

Novel neuromodulation devices gained steam

NEUROVALENS



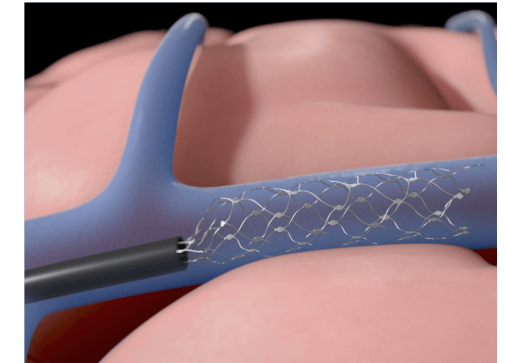
NeuroValens raised \$6M to support R&D related to its non-invasive neurostimulator, which is awaiting regulatory review for treatment of obesity, insomnia, and anxiety, and which will be studied for treatment of diabetes in 2021.



SetPoint Medical published positive safety and efficacy data from its first-in-human pilot study of its miniaturized vagus nerve stimulation device for treatment of multidrug-refractory rheumatoid arthritis.



Spark Biomedical released promising initial data from a clinical trial evaluating its transcutaneous auricular neurostimulation device in neonatal opioid withdrawal syndrome.



Synchron received Breakthrough Designation from the FDA for its endovascularly implanted neurostimulation system, which is being evaluated as a functional brain-computer interface for paralyzed patients.

HIGHLIGHT #3: MEDTRONIC WAS AN ACTIVE INVESTOR AND ACQUIRER

Medtronic made strategic moves in diabetes and neurosurgery tech

Medtronic acquires Medicea and its spinal surgery tech

July 15, 2020 |  +MASS
DEVICE

Medtronic acquired insulin pen startup Companion Medical to broaden its diabetes management tech

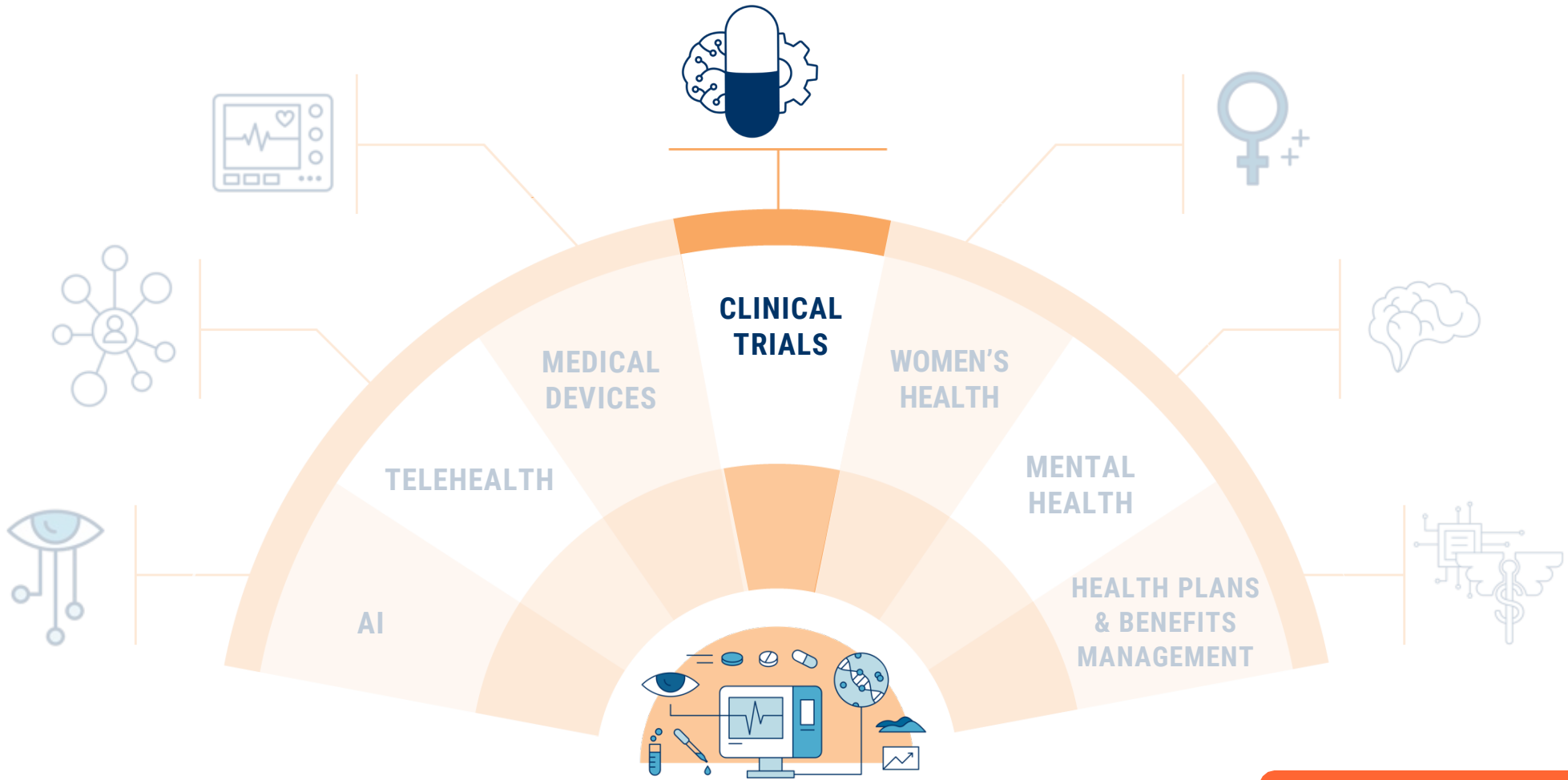
August 13, 2020 |  BUSINESS
INSIDER

Medtronic invests in Beijing neurosurgical robots maker Sinovation

July 20, 2020 |  EON

Medtronic investing \$20M in Israeli insulin pump startup Triple Jump

September 23, 2020 |  CTECH



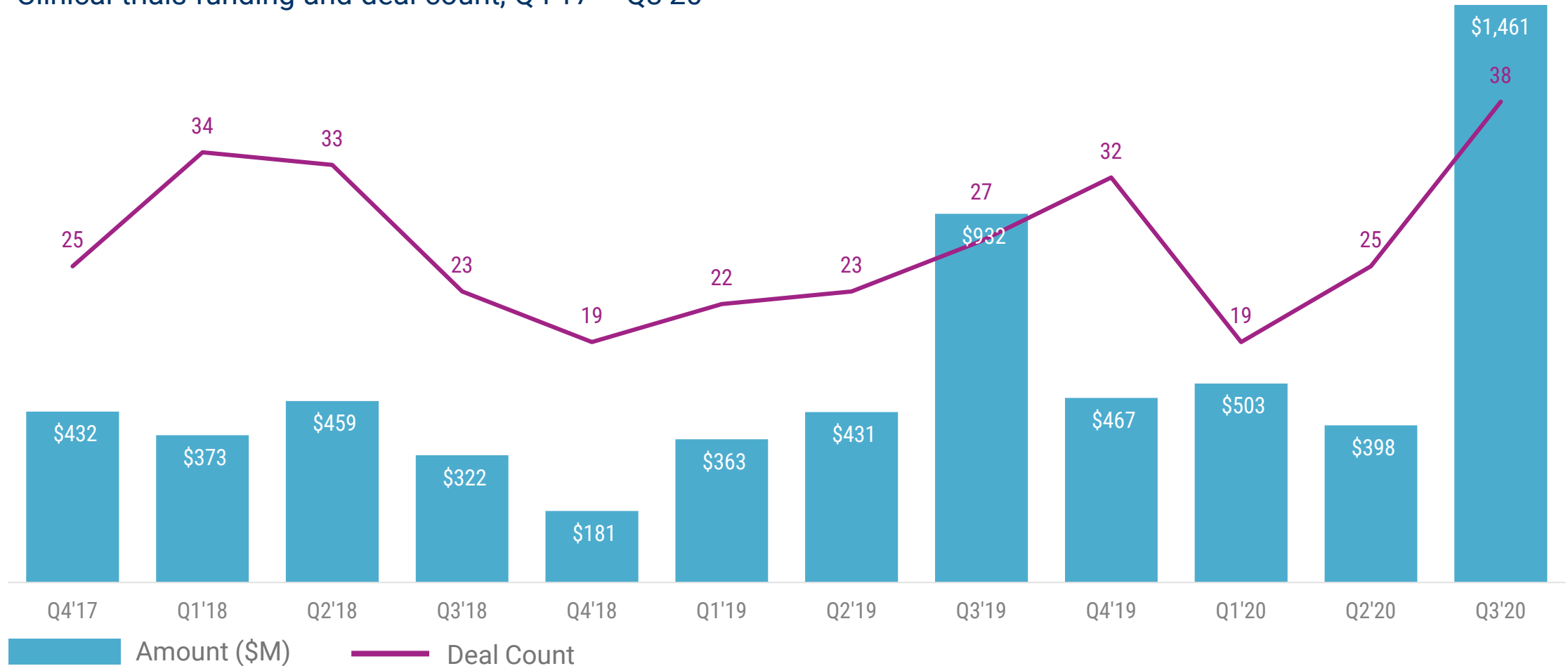
GLOBAL HEALTHCARE REPORT Q3'20

[Clinical Trials Collection](#)

CLINICAL TRIALS DEALS AND DOLLARS

All-time high in drug R&D tech funding in Q3'20

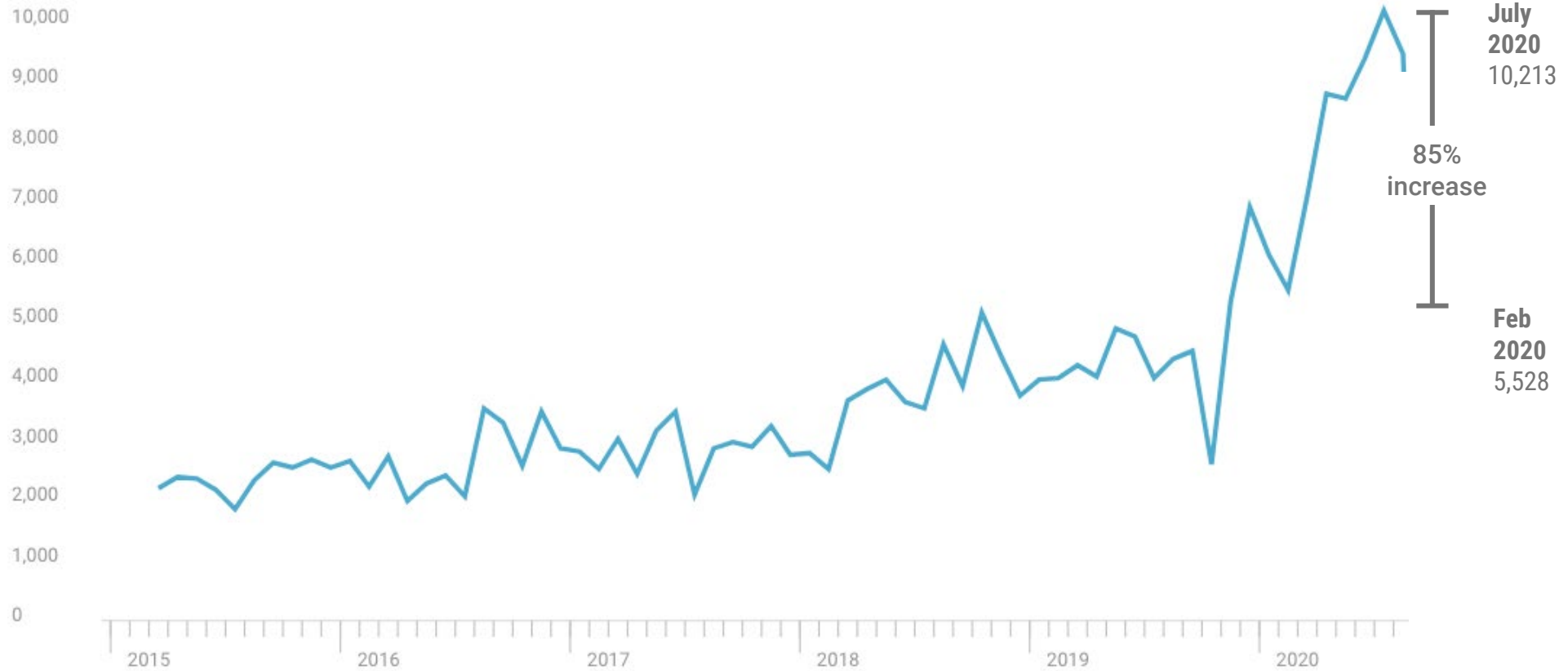
Clinical trials funding and deal count, Q4'17 – Q3'20



HIGHLIGHT #1: CLINICAL TRIALS GAINED MORE INTEREST AMID COVID-19

Interest in clinical trials reached a peak in Q3'20

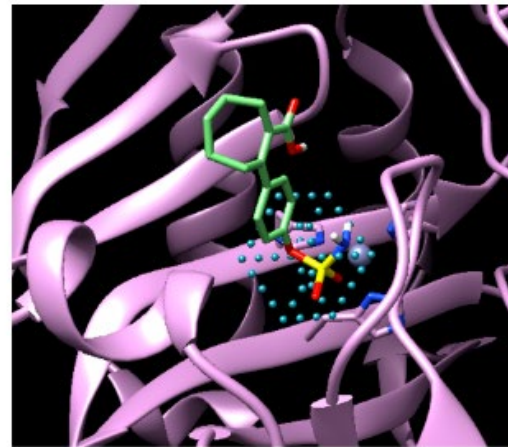
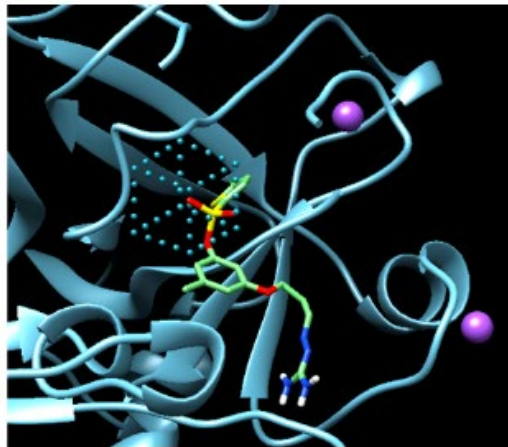
News Coverage



clinical trial

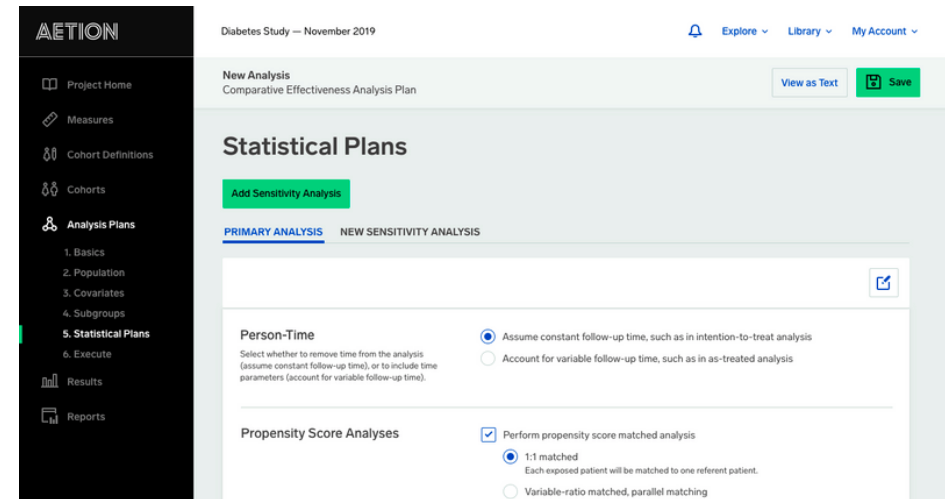
HIGHLIGHT #2: GENERATING VALUABLE DATA TO SPEED UP DRUG R&D

Life science companies are optimizing drug R&D through novel datasets



Latest Round: Series B (8/11/20) **Amount:** \$123M

Atomwise uses deep learning neural networks to predict drug candidates. It has had a series of spinouts focused on specific candidates.

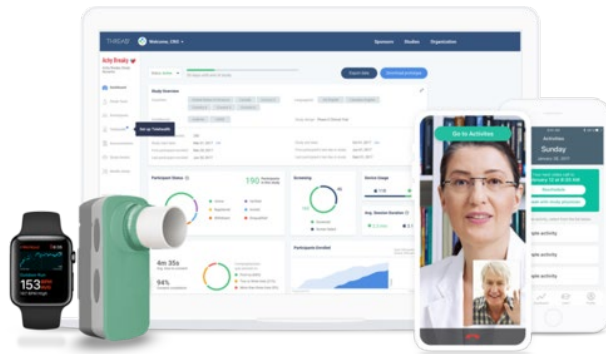


Latest Round: Series B – IV (8/26/20) **Amount:** \$19M

Aetion's Evidence Platform delivers real-world evidence (RWE) that life science companies can use to inform drug treatments.

HIGHLIGHT #3: ALTERNATIVES TO TRADITIONAL CLINICAL TRIALS GREW

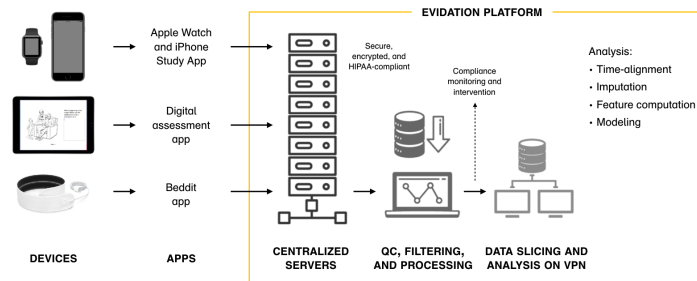
Covid-19 has emphasized the need for decentralized clinical trials



Latest Round: Private Equity (8/13/20)

Amount: \$50M

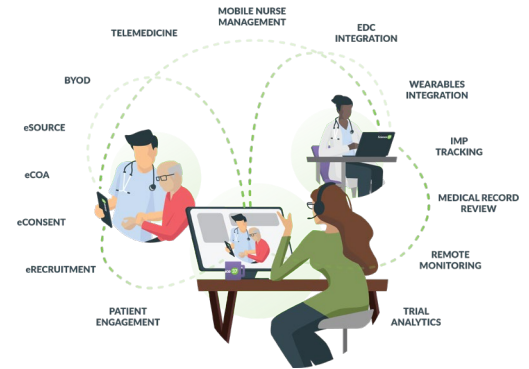
THREAD offers services for conducting both hybrid and fully remote trials. It has expanded to more than 40 countries globally.



Latest Round: Series D (7/1/20)

Amount: \$45M

Evidation Health offers a digital research platform with novel real-world datasets. On 9/2/20, it announced results from its clinical study with Omada Health.



Latest Round: Series D (8/20/20)

Amount: \$40M

Science 37 offers an end-to-end integrated platform for decentralized trials. On 8/25/20, it partnered with ERT to deliver high-quality data during trials.

HIGHLIGHT #4: CLINICAL WORKFLOW SOLUTIONS TACKLED KEY TRIAL BOTTLENECKS

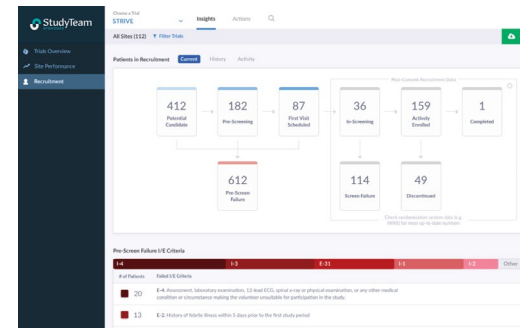
Investors backed integrated clinical workflow solutions



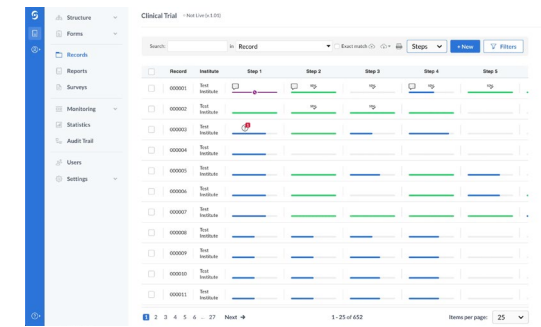
China-based Taimei Technology raised a \$176M Series F round, co-led by Tencent, GL Ventures, and YF Capital. Its TrialOS platform allows research collaboration with different stakeholders.



Within3 raised a \$100M Growth Equity round, led by Insight Partners. Its virtual engagement platform is used by all 20 top pharma companies for improved collaboration and communication.

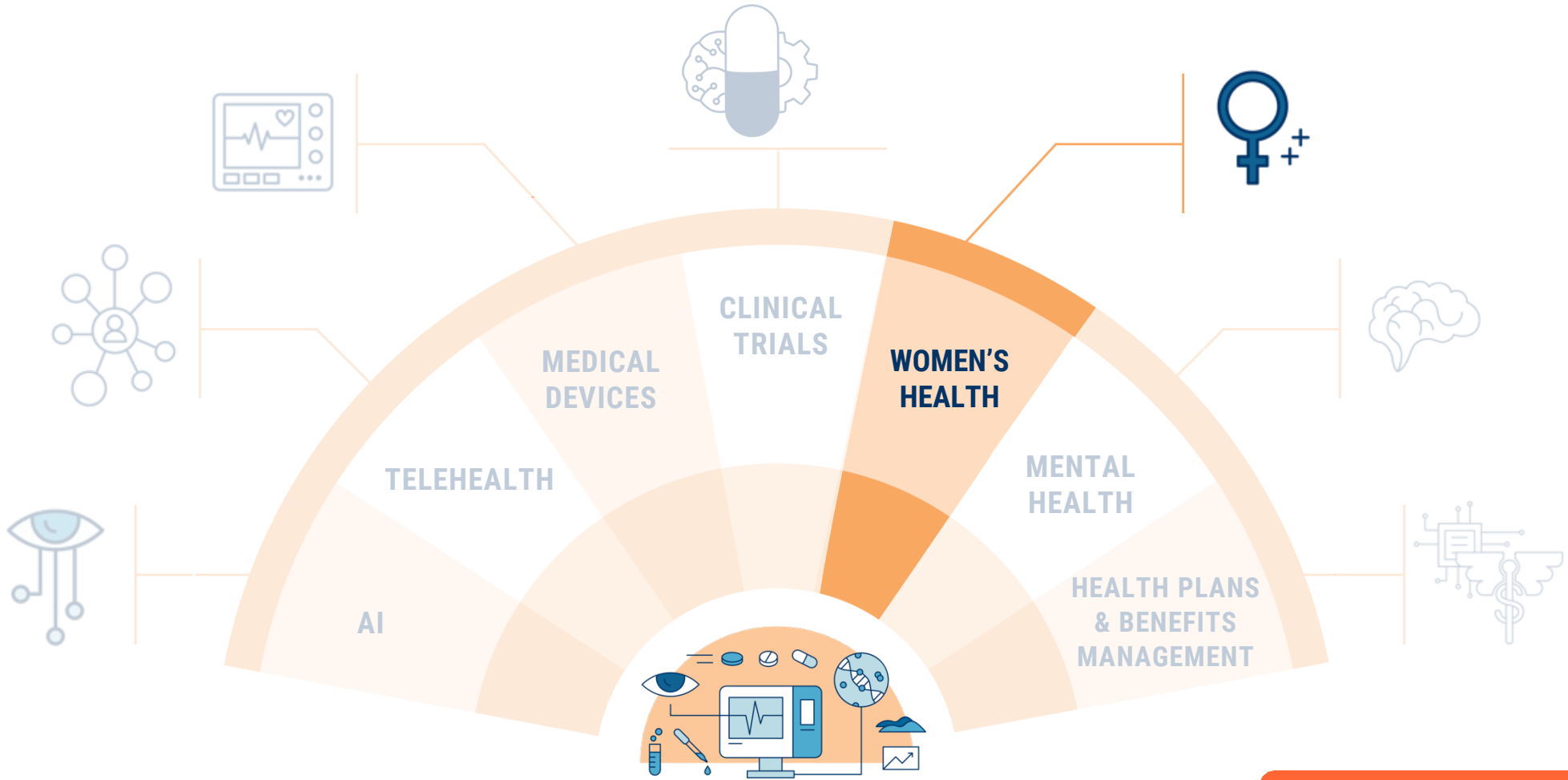


Reify Health raised a \$30M Series B round to support the expansion of its StudyTeam platform and accelerate additional solutions. The shared platform is used by research sites and sponsors to improve patient enrollment.



Netherlands-based Castor EDC raised a \$12M Series A – II round. Its clinical data platform is used to simplify trial management. It is being used for 200+ Covid-19 projects across 33 countries.

HEALTHCARE



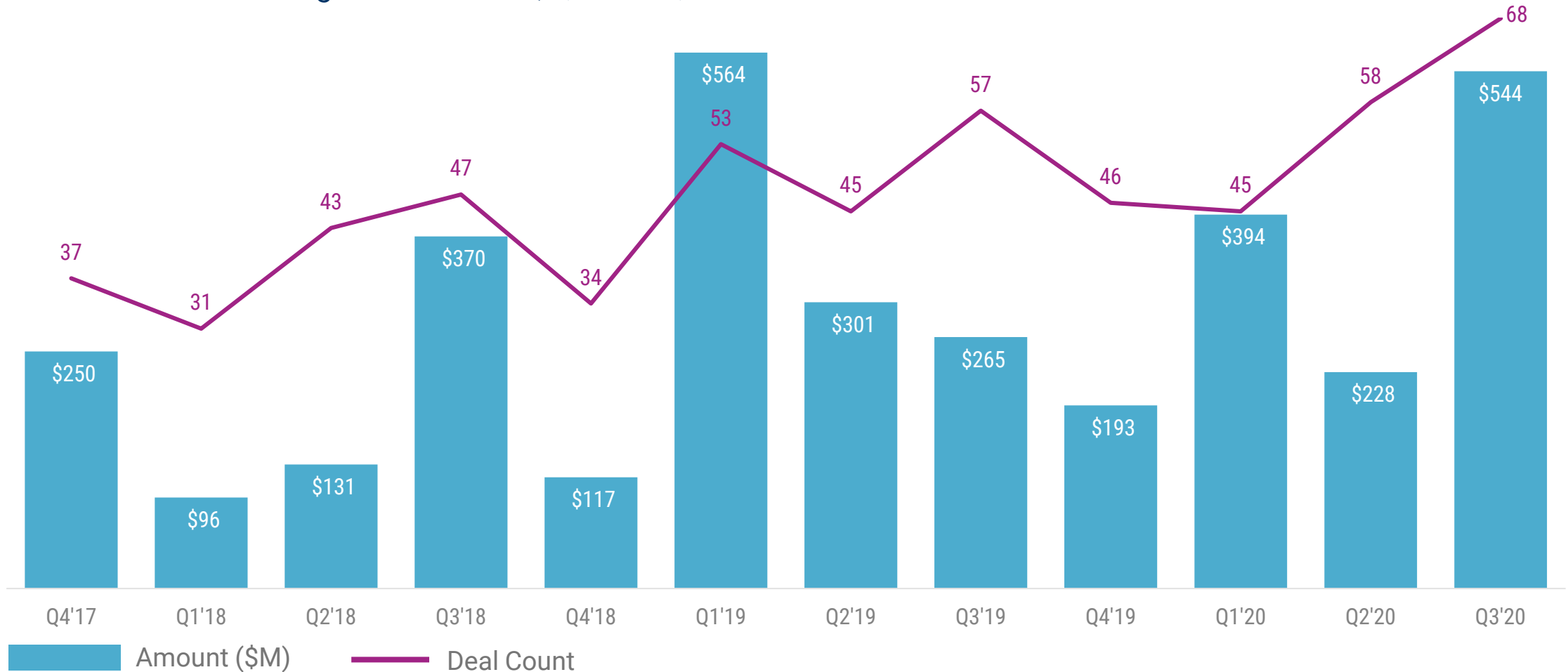
GLOBAL HEALTHCARE REPORT Q3'20

[Women's Health Collection](#)

WOMEN'S HEALTH DEALS AND DOLLARS

Q3'20 funding sees more than 2x increase QoQ

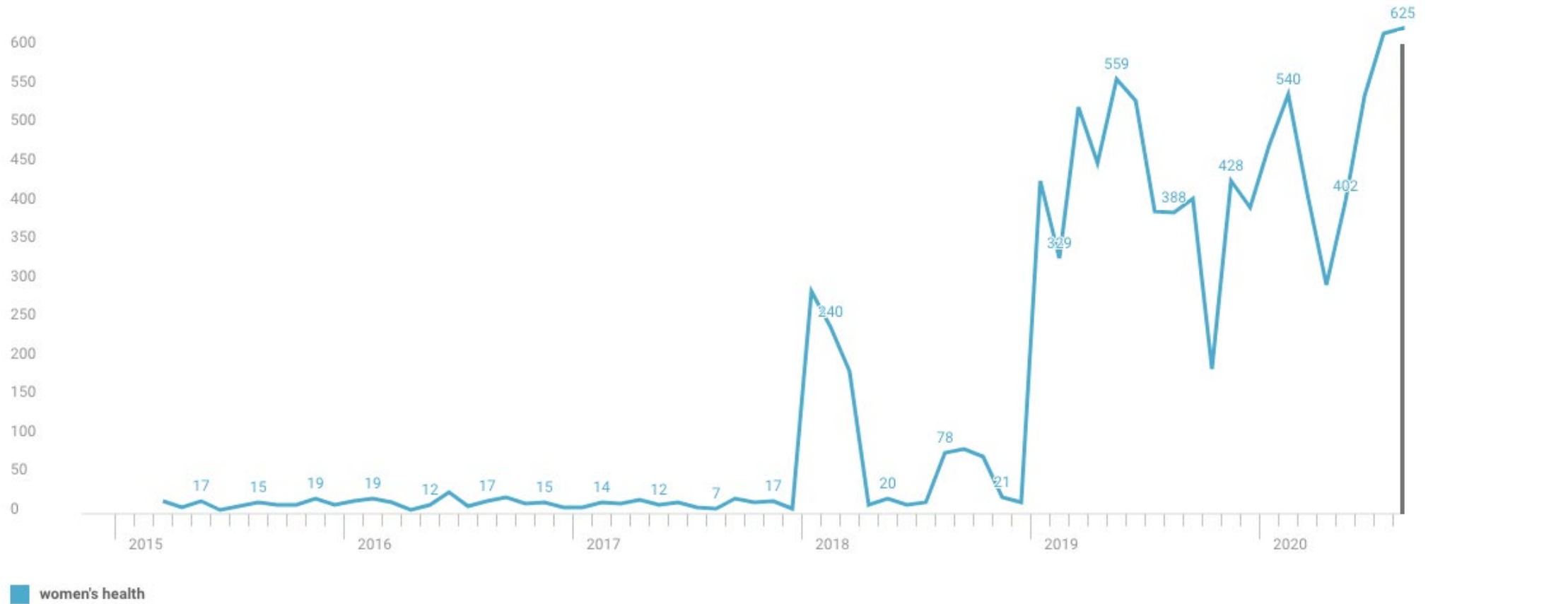
Women's health funding and deal count, Q4'17 – Q3'20



HIGHLIGHT #1: WOMEN'S HEALTH MARKET GAINED MORE INTEREST

Interest in women's health hit an all-time high

News Coverage



HIGHLIGHT #2: FERTILITY BENEFITS GAINED MORE ATTENTION





Growing options for employee fertility benefits

Fertility & Infertility Wrap-around plan including Mental Health, Nutrition Coaching, and Holistic Consultations. VIEW DETAILS	LGBTQ & 3rd Party Wrap-around plan including Surrogacy/Adoption/Donor Coaching and Database access. VIEW DETAILS
Pre-Partum Wrap-around plan including Delivery Navigation, and Doula/MidWife/Birth Coaching. VIEW DETAILS	Post-Partum Wrap-around plan including Lactation Consultation, Child Care Guidance, and Return-to-Work Coaching. VIEW DETAILS

Latest Round: Series B (7/8/20)

Amount: \$32M

Kindbody offers virtual and in-person fertility services. It intends to use its latest funding to grow its employer benefits solution and expand in the US.

 Carrot Care Team Lean on our team of global benefits experts and fertility clinicians to support your employees on their journey.	 Global provider network With 2,700+ clinics in 40 countries, employees get care from providers that meet strict clinical and regulatory qualifications.	 Carrot Card® The easiest way for employees to access their benefit and pay for services, without the stress of out-of-pocket payments.	 Financial and benefit administration Get fast, trouble-free processing of claims and reimbursements, plus custom reports on enrollment, engagement, and costs.
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Latest Round: Series B (8/18/20)

Amount: \$24M

Carrot Fertility offers customizable fertility benefits coverage for employers. It plans to use its funding to expand its telehealth services and its global footprint.

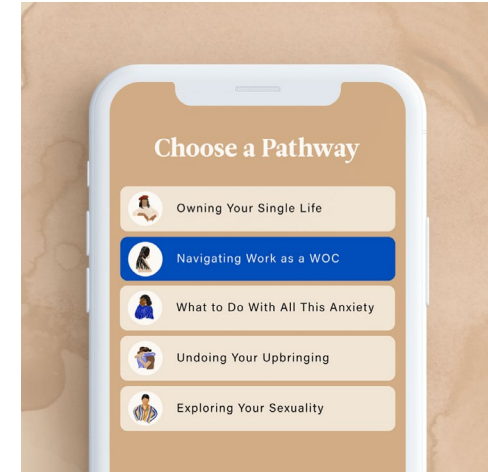
HIGHLIGHT #3: MENTAL HEALTH FOR WOMEN

Rethinking mental health specifically for women



Latest Round: Series B (8/25/20) **Amount:** \$7.6M

Ovia Health develops AI-enabled mobile apps for fertility, pregnancy, and parenting. In 2019, its clinical team used its digital screener to find an incidence rate of perinatal depression ~3x the rate cited by the CDC.



Latest Round: Series A (7/14/20) **Amount:** \$6M

Real offers a monthly membership to in-studio and digital mental health services. It aims to revamp the therapy experience through an affordable, accessible platform.

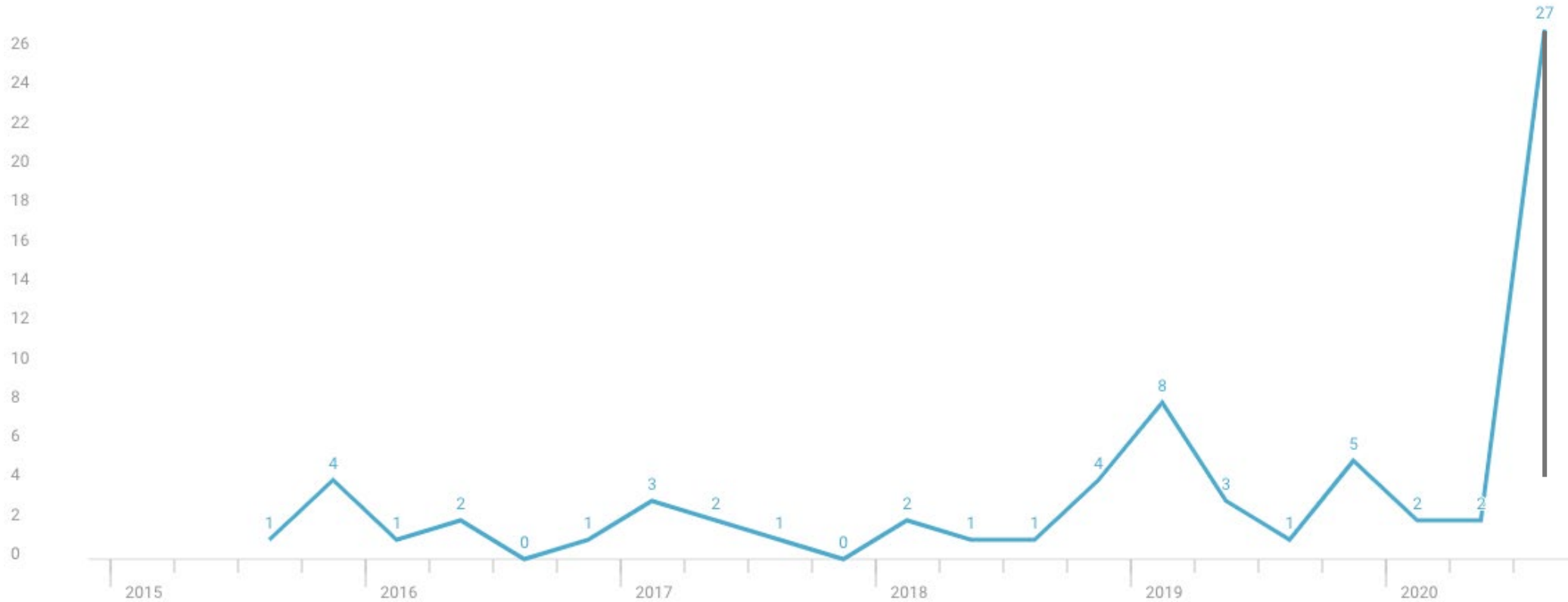
HIGHLIGHT #4: PUBLIC COMPANIES SHOWED MORE INTEREST

Women's health gained more corporate interest in Q3'20

Mentions of "women's health" on earnings calls by quarter, Q3'15 – Q3'20

7/1/20-9/30/20

Number of mentions



women's health SOURCE: ALL

HIGHLIGHT #4: PUBLIC COMPANIES SHOWED MORE INTEREST

Q3'20 saw 2 major acquisitions



\$80M



Acesa Health develops a uterine fibroid treatment using laparoscopic radiofrequency ablation.



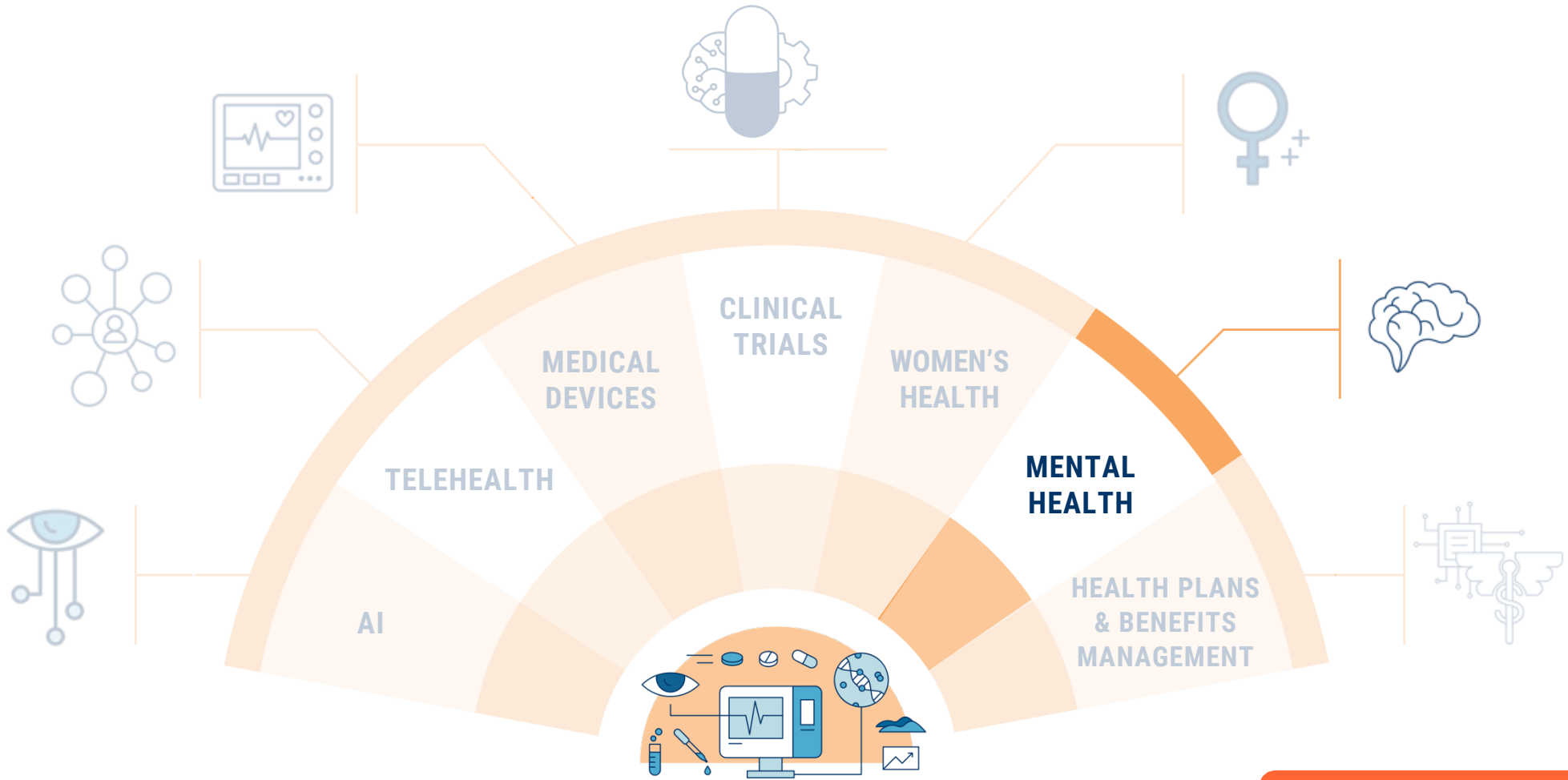
\$425M



Up to an **additional \$450M** in milestone payments



KaNDy Therapeutics develops NT-814, a non-hormonal treatment for menopause symptoms.

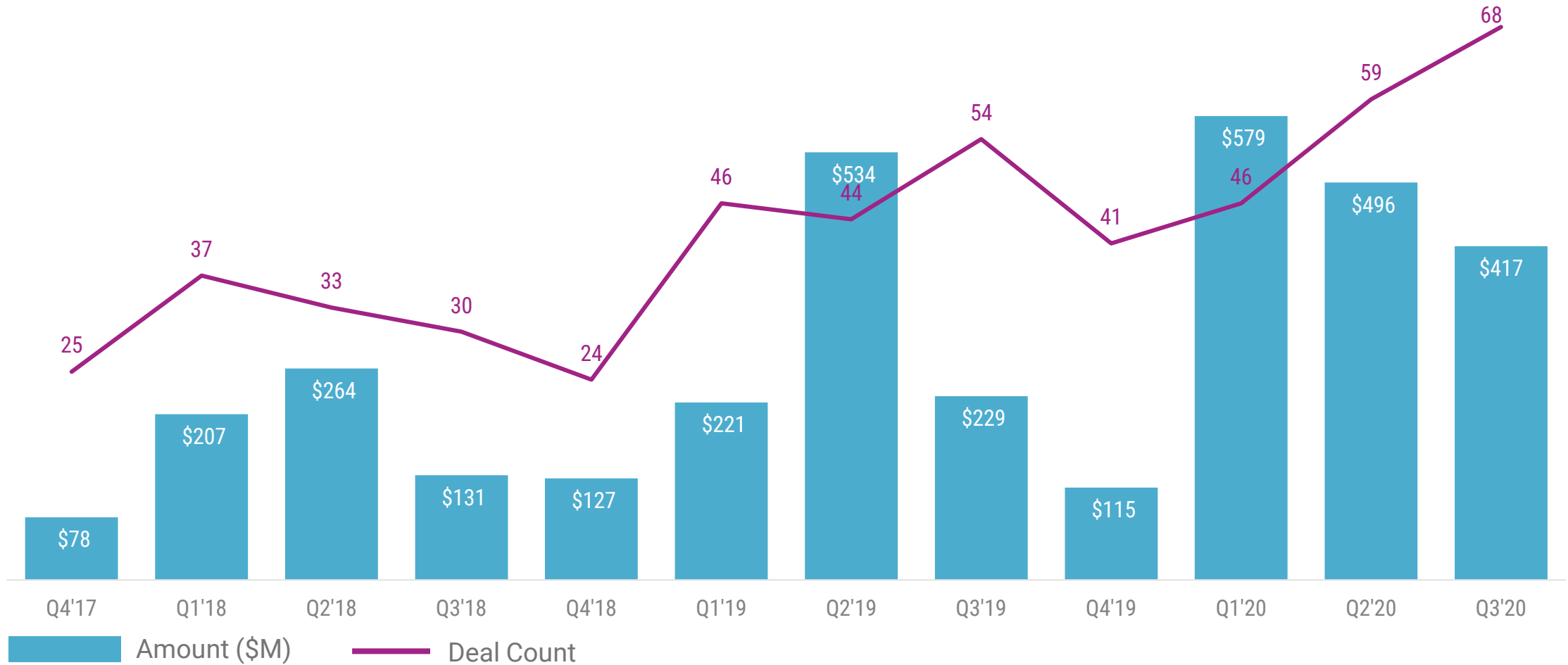


GLOBAL HEALTHCARE REPORT Q3'20

Mental Health & Wellness
Collection

Q3'20 funding slowed but deal volume increased

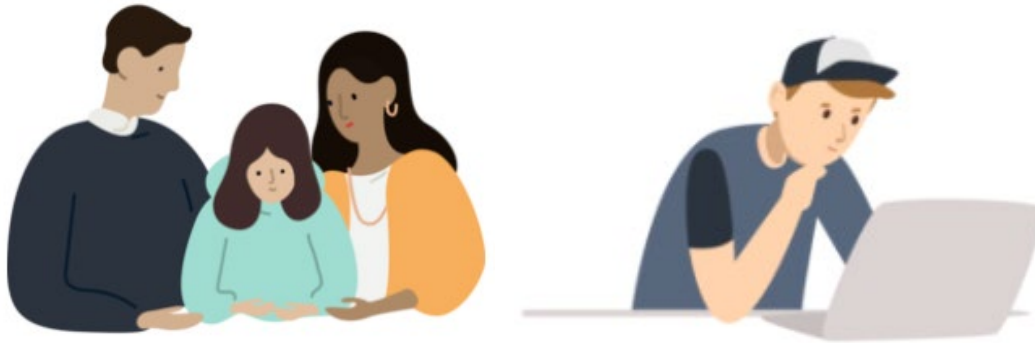
Mental health funding and deal count, Q4'17 – Q3'20



HIGHLIGHT #1: MENTAL HEALTH IS BECOMING MORE DIFFERENTIATED

A growing number of services for different use cases

PEDIATRIC HEALTH



Latest Round: Series A (8/19/20) **Amount:** \$20M

Brightline offers pediatric behavioral health solutions, including therapy, evaluation and medication support, speech-language therapy, and coaching for parents.

PSYCHIATRIC HEALTH

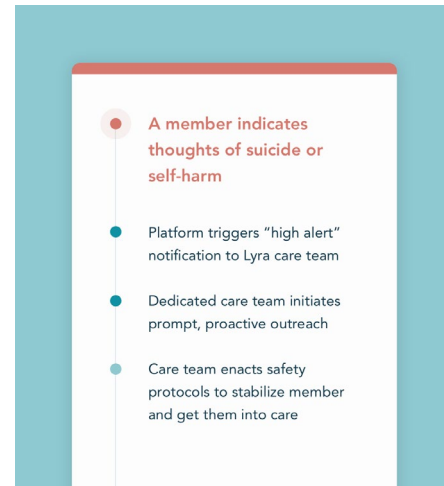
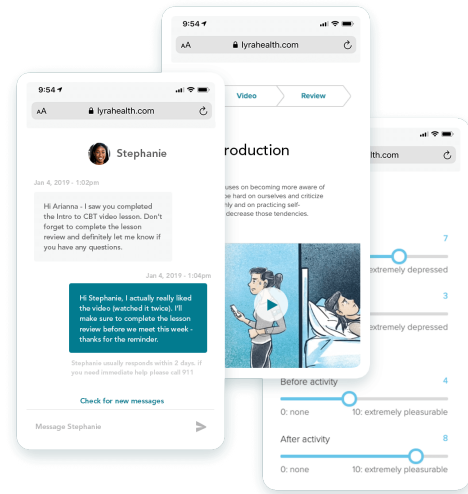


Latest Round: Series A (7/8/20) **Amount:** \$9M

Ahead provides both in-person and virtual psychiatric services along with medication delivery. It currently focuses on ADHD, depression, and anxiety. Its Series A round was led by Truepill.

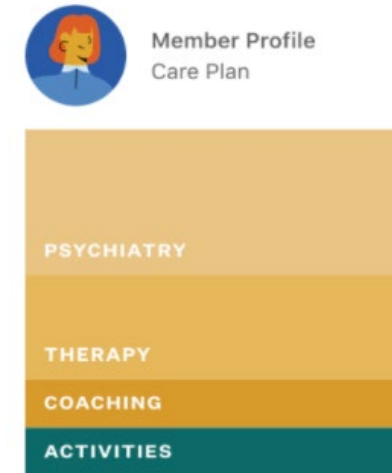
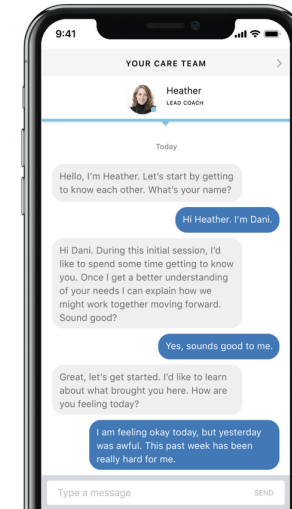
HIGHLIGHT #2: MENTAL HEALTH BENEFITS CONTINUED TO GAIN INTEREST

Employer benefits drew investor interest



Latest Round: Series D (8/25/20) Amount: \$110M

Lyra Health provides employees and their dependents with therapy, coaching, and medication prescribing services. Its platform covers 1M+ members.



Latest Round: Series D (8/6/20) Amount: \$50M

Ginger offers psychiatry, therapy, and coaching services for employers and health plans. It has operations in 23 countries.

HIGHLIGHT #3: MENTAL HEALTH SOLUTIONS IN DIGITAL THERAPEUTICS

Mental & behavioral health is a leading category in digital therapeutics

**BehaVR & Sumitomo Dainippon
Pharma Partner To Advance Virtual
Reality For Social Anxiety Disorder**

8/5/20



**Quartet Taps SilverCloud Health
To Broaden Access To Digital
Mental Health Services**

8/4/20



**Swedish Pharma Company Orexo Rolls
Out Digital Therapeutics For
Depression, Alcohol Use Disorder**

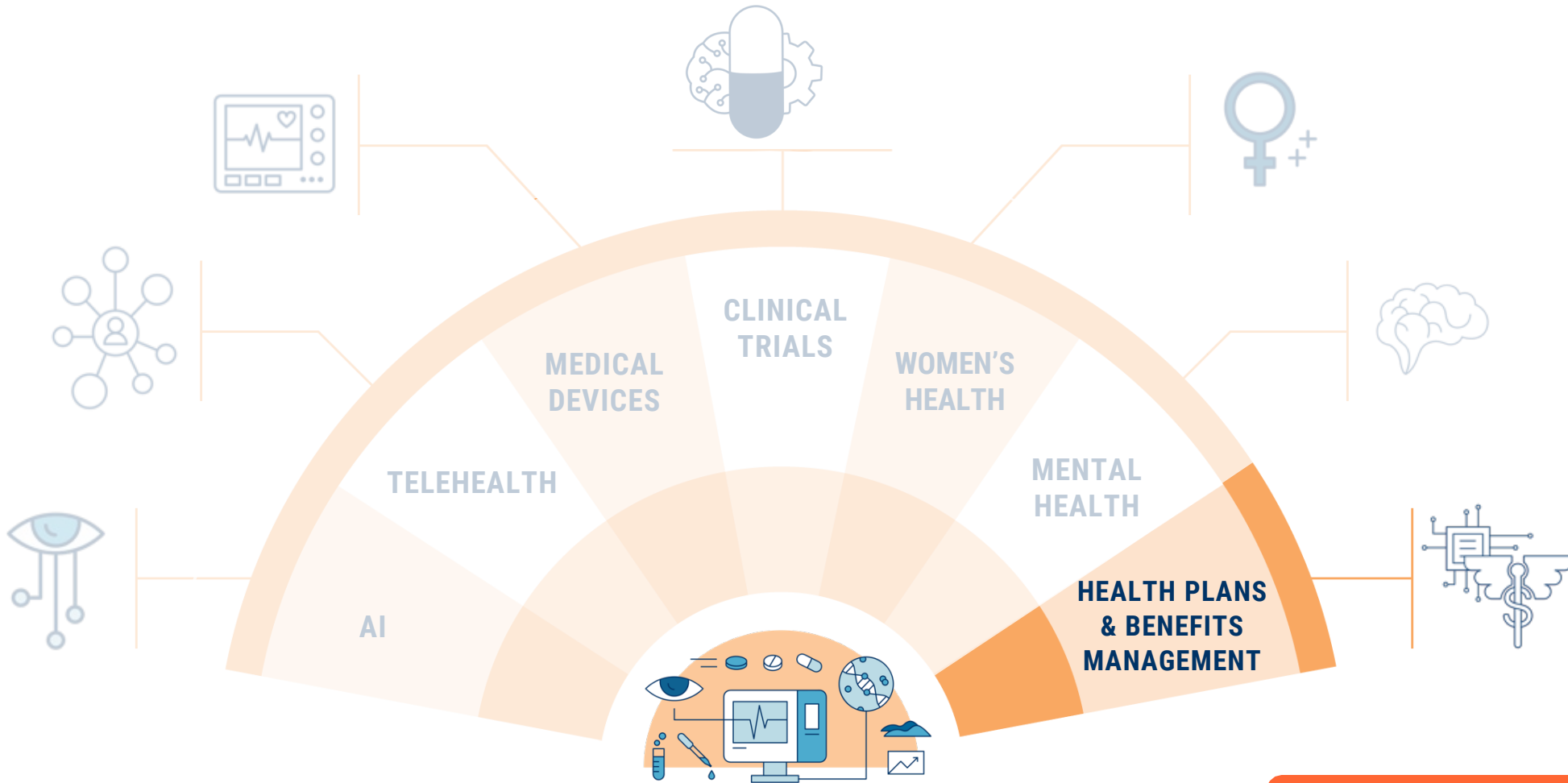
7/13/20



**CVS Adds Another Big Health Product
To Its Point Solutions Management
Program**

7/29/20





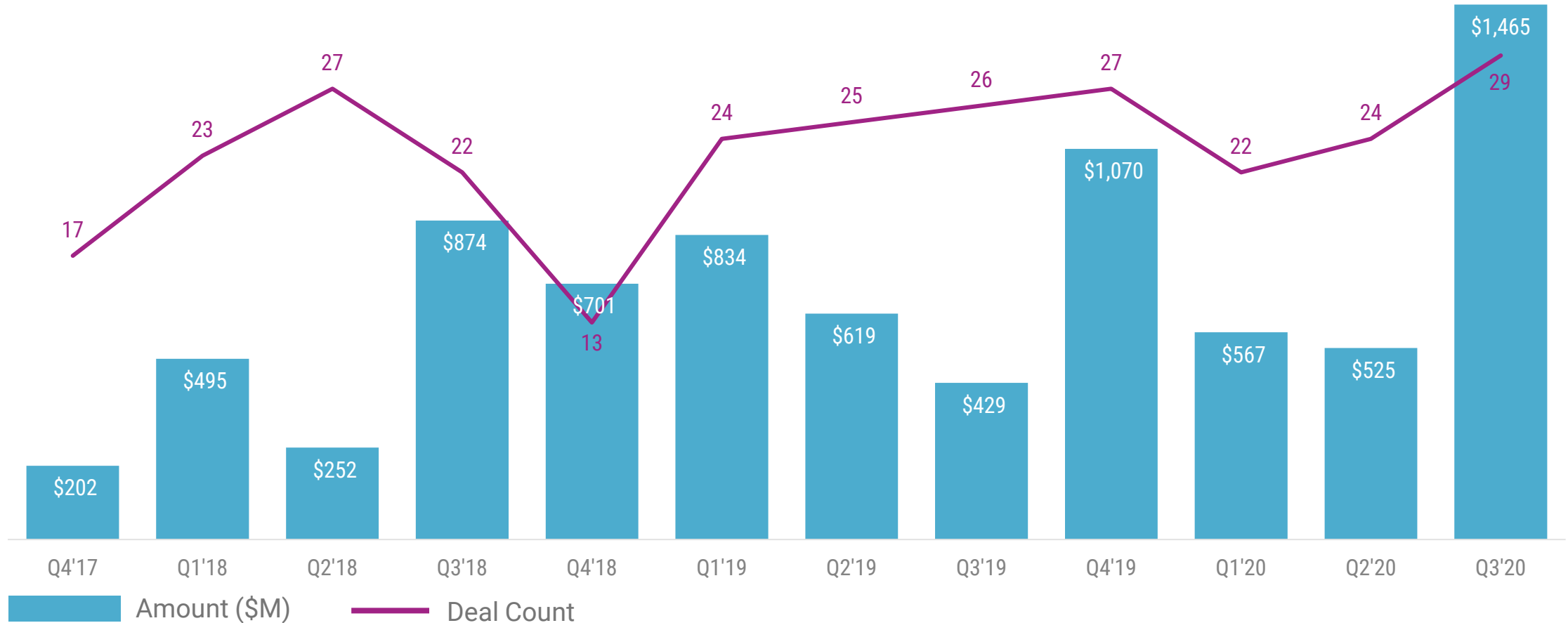
GLOBAL HEALTHCARE REPORT Q3'20

[Health Plans & Benefits Management Collection](#)

HEALTH PLANS & BENEFITS MANAGEMENT DEALS AND DOLLARS






Funding reached nearly \$1.5B in Q3'20

Health plans & benefits management funding and deal count, Q4'17 – Q3'20



HIGHLIGHT #1: TOP 5 HEALTH PLANS & BENEFITS MANAGEMENT DEALS OF Q3'20

5 mega-rounds totaled close to \$1.2B

Company	Deal Date // Amount Raised (\$M)	Total Disclosed Funding (\$M)	Select Investors	Description
 bright HEALTH	Sep'20 // \$500M	\$1,575M	Bessemer Venture Partners, Blackstone, Flare Capital Partners, GE Ventures	Bright Health is an online insurance marketplace that offers affordable Individual & Family and Medicare Advantage health plans.
 水滴互助·水滴筹·水滴保 Waterdrop	Aug'20 // \$230M	\$480M	BlueRun Ventures, Sinovation Ventures, Swiss Reinsurance Company, Tencent Holdings	Waterdrop is a health insurance crowdfunding platform that allows people to contribute money when they are healthy and then access funds to pay for medical bills if they become ill.
 GRAND ROUNDS	Sep'20 // \$175M	\$281M	David Ebersman, Greylock Partners, Harrison Metal, The Carlyle Group, Venrock	Grand Rounds offers a virtual platform that helps employees navigate their health benefits and get access to high-quality medical care.
 RIPLING	Aug'20 // \$145M	\$197M	Bedrock Capital, Founders Fund, Initialized Capital, Kleiner Perkins, SV Angel, Y Combinator	Rippling is a benefits administration platform that helps manage a range of employer operations, including health benefits.
 Lyra	Aug'20 // \$110M	\$284M	Breyer Capital, Casdin Capital, Castlight Health, Greylock Partners, Venrock	Lyra Health provides mental health employee benefits. The company provides virtual and in-person services for patients with mild to severe mental health needs.

Payments & benefits companies formed strategic partnerships



Cedar partners with ApolloMD to enable improved online billing experience for patients

September 17, 2020 |  CISION
PR Newswire



VisitPay partners with Teladoc, NTT Data, Enli and R1 RCM to create a digital front door for healthcare

July 20, 2020 |  TheStreet.

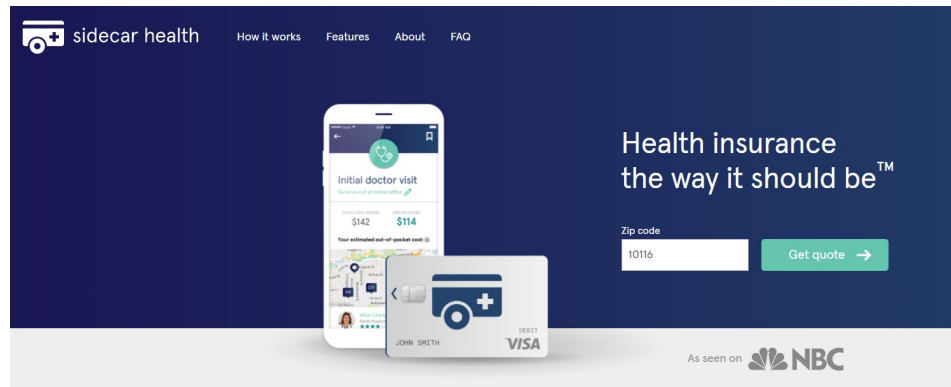


Lively expands HSA investment product through strategic partnership with Devenir

August 5, 2020 |  businesswire
A BERKSHIRE HATHAWAY COMPANY

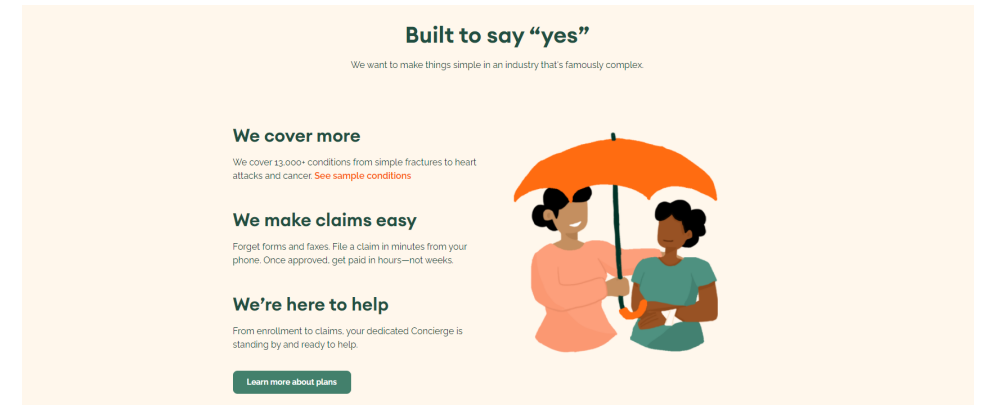
HIGHLIGHT #3: HEALTH PLANS ARE TARGETING SUPPLEMENTAL MEDICAL COVERAGE

Early-stage startups offer limited benefits plans



Latest Round: Seed VC – II (7/23/20) **Amount:** \$20M

Sidecar Health provides personalized and affordable health plans that supplement traditional medical insurance.



Latest Round: Seed VC – II (8/10/20) **Amount:** \$1.5M

Brella offers a supplemental health insurance plan that pays cash if a member is diagnosed with any of the 13,000+ covered conditions.



Appendix





The most active healthcare VCs in Q3'20

By unique investments in healthcare companies (new or follow-on)

Rank	Investor	HQ Country	Q3'20 Investments
1			                     
2			            
2			           
2			            
5			          
5			          

The most active digital health VCs in Q3'20

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

Rank	Investor	HQ Country	Q3'20 Investments
1	GENERAL CATALYST		   commure 
1			kindbody  freenoma Science 37 
1	khosla ventures		Caption Health    
1			 AETION edenhealth  cohere HEALTH
1	SECTION 32		freenoma evidation Thrive. <small>Earlier Detection</small> sema4 

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. Equity financings include: convertible notes, seed, Series A, Series B, Series C, Series D, Series E+, private equity, growth equity, other venture capital, and other investment rounds.
- Fundings of only private companies. Funding rounds raised by public companies of any kind (including Pink Sheets) are excluded from our numbers, even if a company received investment from a venture firm.
- Only includes the investment made in the quarter for tranching 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 firms or investors, or press releases.
- 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 to tech-enabled health to AI-driven drug discovery, and more.
- Categories are not mutually exclusive (for example, a company that applies AI to mental health would be included in both categories). Criteria for categories can be found on page 30.
- Historical funding data is subject to change as our technology & data operations explore data sets globally and refine company classifications.

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.
- 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.