



STARTUP HEALTH INSIGHTS™ Global Digital Health Funding Report 2018 Q3

Data through September 30, 2018

Report is inclusive of publicly available seed, venture, corporate venture, and private equity funding

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ABOUT STARTUP HEALTH

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StartUp Health is on a 25-year mission to collaborate with entrepreneurs to improve the health and wellbeing of everyone in the world. StartUp Health believes that something magical happens when you bring together coachable entrepreneurs from around the world who have the mindset to achieve health moonshots. Since 2011, StartUp Health has been investing in a global army of entrepreneurs -- called Health Transformers® -- to solve 10 Health Moonshots: Access to Care, Cost to Zero, Cure Disease, End to Cancer, Women's Health, Children's Health, Nutrition & Fitness, Brain Health, Mental Health & Happiness, and Longevity.

Backed by Advocate Aurora Health, Ping An Group, Chiesi Group, Novartis, Guidewell, Steve Case, Masimo, Mark Cuban, Esther Dyson, Otsuka, Kaiser Permanente Ventures, Jerry Levin, Brad Feld, and Jason Finger, StartUp Health has the world's largest digital health portfolio with more than 250 companies spanning six continents and 21 countries. Learn more about how to join the movement and support Health Transformers at startuphealth.com.

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ON A MISSION TO ACHIEVE 10 HEALTH MOONSHOTS

At StartUp Health we believe that with the right mindset, a moonshot vision, and the spirit of an entrepreneur, anything is possible. That's why we've brought together a new generation of entrepreneurs, investors, industry leaders, and government organizations who are working on bold missions to transform health. Here are the 10 Health Moonshots around which StartUp Health has focused its efforts. Each one can improve the wellbeing of at least one billion people.



1 Access to Care Moonshot

Delivering quality care to everyone, regardless of location or income

2

Cost to Zero Moonshot

Radically reducing the cost of care by a factor of a million

3

Cure Disease Moonshot

Curing disease using data, technologies, and personalized medicine

4

End Cancer Moonshot

Ending cancer as we know it

5

Women's Health Moonshot

Prioritizing women's health, including preventive care and new research



6 Children's Health Moonshot

Ensuring every child has access to quality care, regardless of economic status

7

Nutrition & Fitness Moonshot

Providing access to a healthy environment and supporting an active lifestyle

8

Brain Health Moonshot

Unlocking the mysteries of the brain to improve health, wellness, and mental health

9

Mental Health & Happiness Moonshot

Connecting mind, body, and spirit in the pursuit of happiness

10

Longevity Moonshot

Adding 50 healthy years to every human life

2018 Q3 YTD SUMMARY

A new benchmark has been set in the digital health market in Q3 2018, surpassing 2017 Q3 funding by almost \$2B, hitting an all time high Q3 mark of \$11.1B. Record numbers of mid- and late-stage deals serve as a stabilizing force, creating market maturity parallel to fund growth. International investments surge with Beijing as the home of five of the top ten international deals, and European cities serving up an abundance of early-stage deals. With investors outpacing their 2017 totals, the digital health market continues to be one of the fastest growing segments of the healthcare industry.

Largest Quarter to Date

- 1** Q3 2018 closed with a total of \$4.5B in digital health funding, pushing the market well into double digit billions - \$11.1B YTD. Even without heavyweight Peloton's \$550M investment into the wellness sector, this quarter was the largest Q3 and overall quarter since we began tracking funding in 2010.

Building Towards Another Record Year

- 2** Q3 2018 surpassed Q3 2017 by almost \$2B in funding and 70 deals. Heading into the end of the year, when investment activity is traditionally high, expect to see another record year.

Beijing Dominates International Market

- 3** Beijing companies were responsible for five of the top ten international deals in Q3, with a total of six deals and \$863M in funding YTD. London and Stockholm continue to grow as early-stage hubs.

A Maturing Market

- 4** The market continues to mature with higher deal counts across mid- and late-stages indicating an increase in follow-on investments as well as long-term startup growth. As of Q3, Series B-F make up 43% of 2018 deals, which is the highest percent – as a percentage of all deals – since 2010.

Steady Increase of Unique Investors

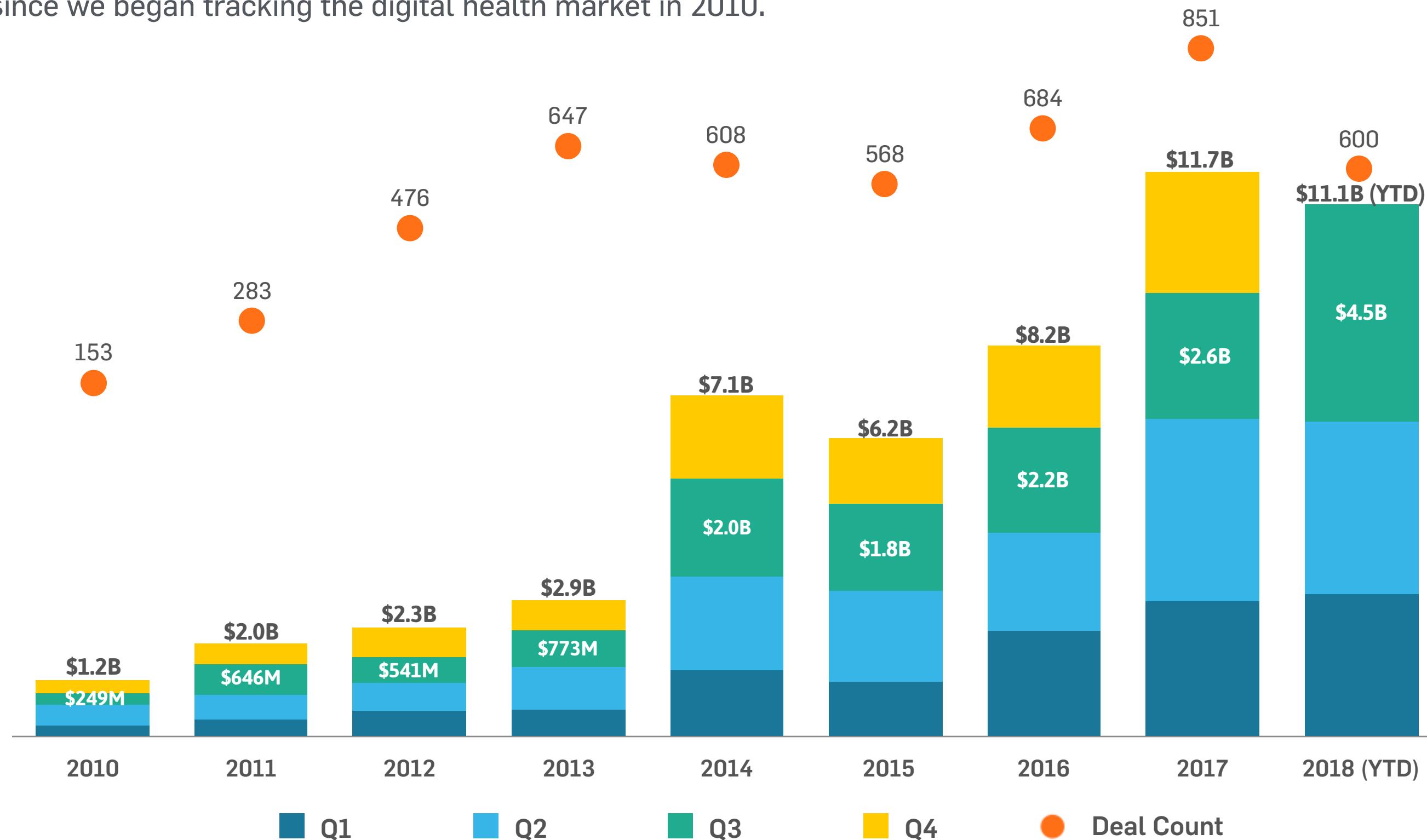
- 5** The market is on track to equal last year's record total of 1,247 investors in the digital health market, with most of the top investors exceeding their 2017 investment totals.

Increasing Deal Sizes

- 6** Deal sizes grew exponentially in Q3, and six deals out of the top ten deals this YTD occurred this quarter. The smallest investment on our top ten list stretched to \$149M, increasing average deal sizes this year to date.

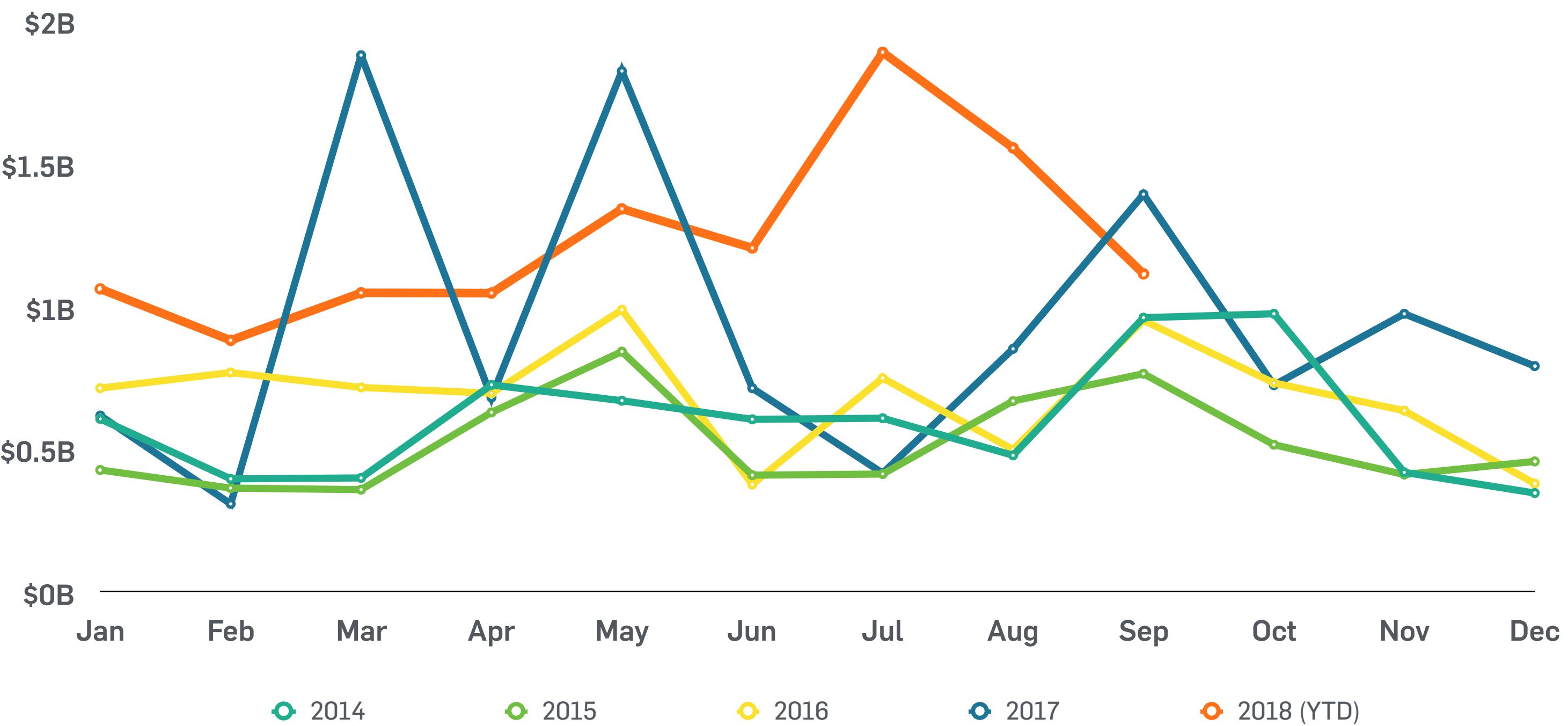
FUNDING SNAPSHOT: YEAR OVER YEAR

Digital health funding is on track to surpass 2017 funding totals by almost \$1B, making this year's third quarter the largest quarter since we began tracking the digital health market in 2010.



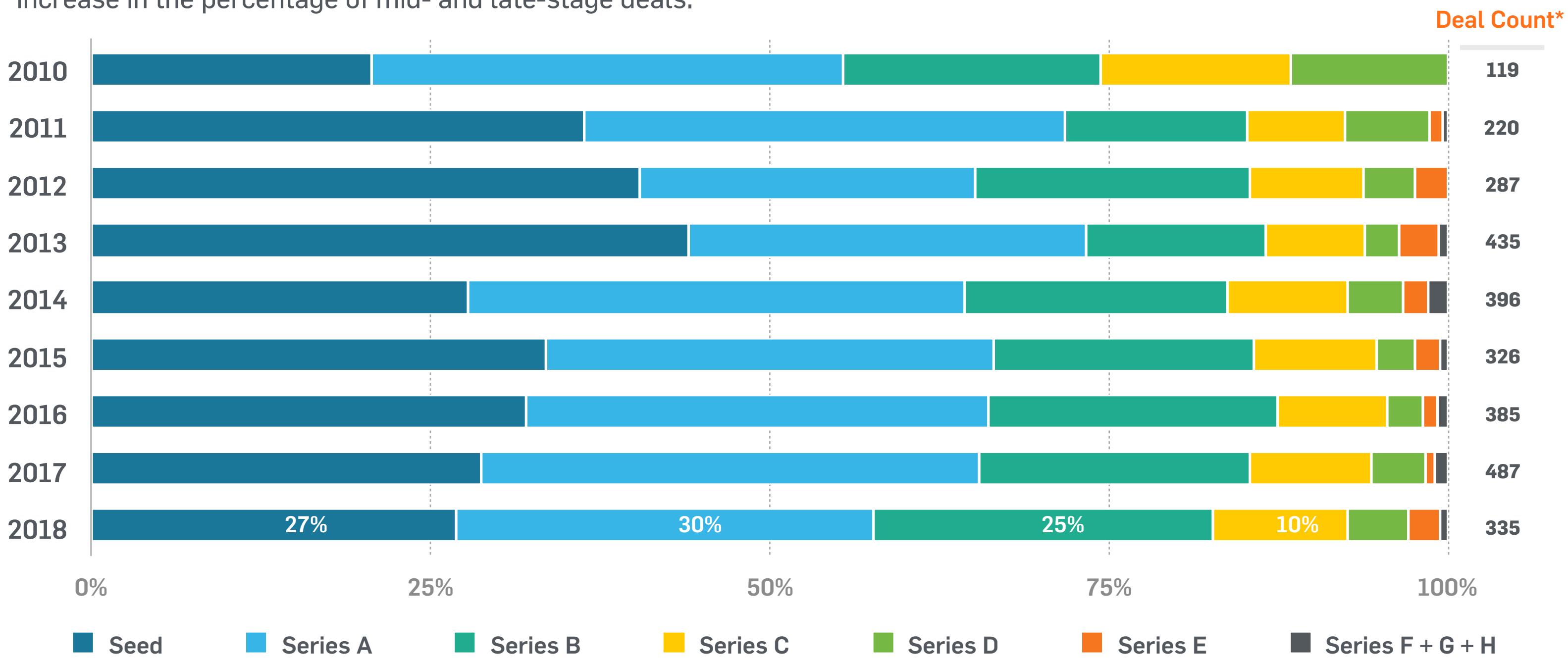
FUNDING SNAPSHOT: MONTHLY COMPARISON

July was the high-water mark for digital health funding in 2018 with \$1.88B invested, a mere \$10M jump from the previous top contributing month and barely surpassing 2017 spikes. With funding amounts almost tripling in July and August of this year, the “summer slump” became a trend of the past.



DEAL ACTIVITY BY STAGE

Showing promising signs of industry maturation, Q3 saw the greatest number of mid- and late-stage deals as a percentage of all deals, continuing a year-over-year trend since 2010. The market is expected to surpass 2017 deal counts, with an increase in the percentage of mid- and late-stage deals.



*Deal count only includes seed through series H rounds and does not include venture rounds, accelerator funding, or growth equity.

THE 10 LARGEST DEALS OF 2018 (YTD)

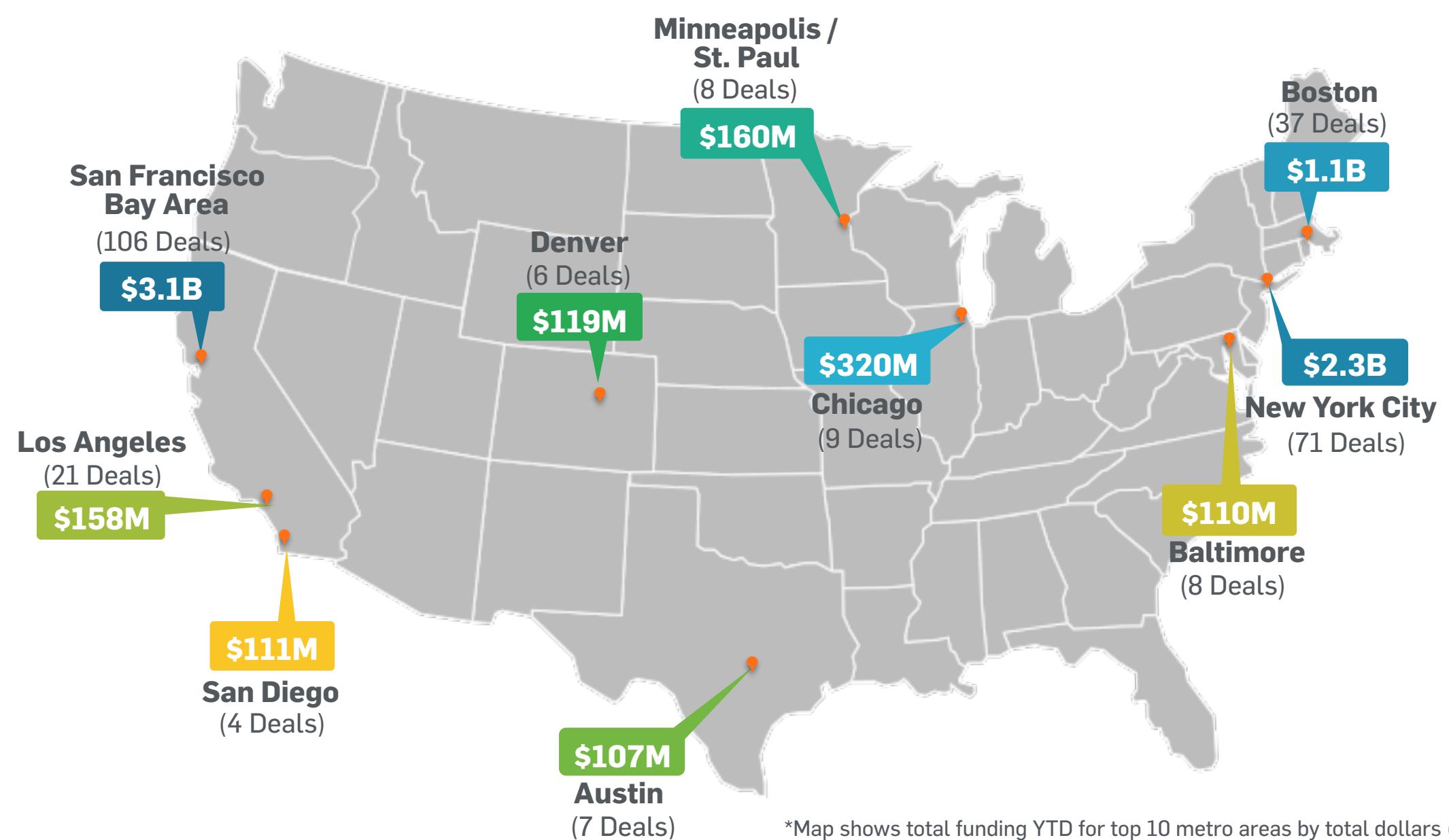
Diversification continues to trend as 2018's largest deals covered seven out of ten digital health functions in Q3. Oscar makes the list twice with a total of \$540M in funding this year, however, their investments are still \$10M less than Peloton's \$550M injection into the wellness sector.

	Company	Round Total	Function
1	 PELOTON®	\$550M	Wellness
2	 OSCAR	\$375M	Insurance
3	 grail	\$300M	Biometric Data Acquisition
3	 23andMe	\$300M	Personalized Health
5	 American Well®	\$290M	Patient Empowerment
6	 BUTTERFLY Network, Inc.	\$250M	Biometric Data Acquisition
7	 HeartFlow®	\$240M	Clinical Workflow
8	 Helix	\$200M	Biometric Data Acquisition
9	 OSCAR	\$165M	Insurance
10	 LinkDoc	\$149M	Population Health

THE MOST ACTIVE U.S. METRO AREAS OF 2018 (YTD)

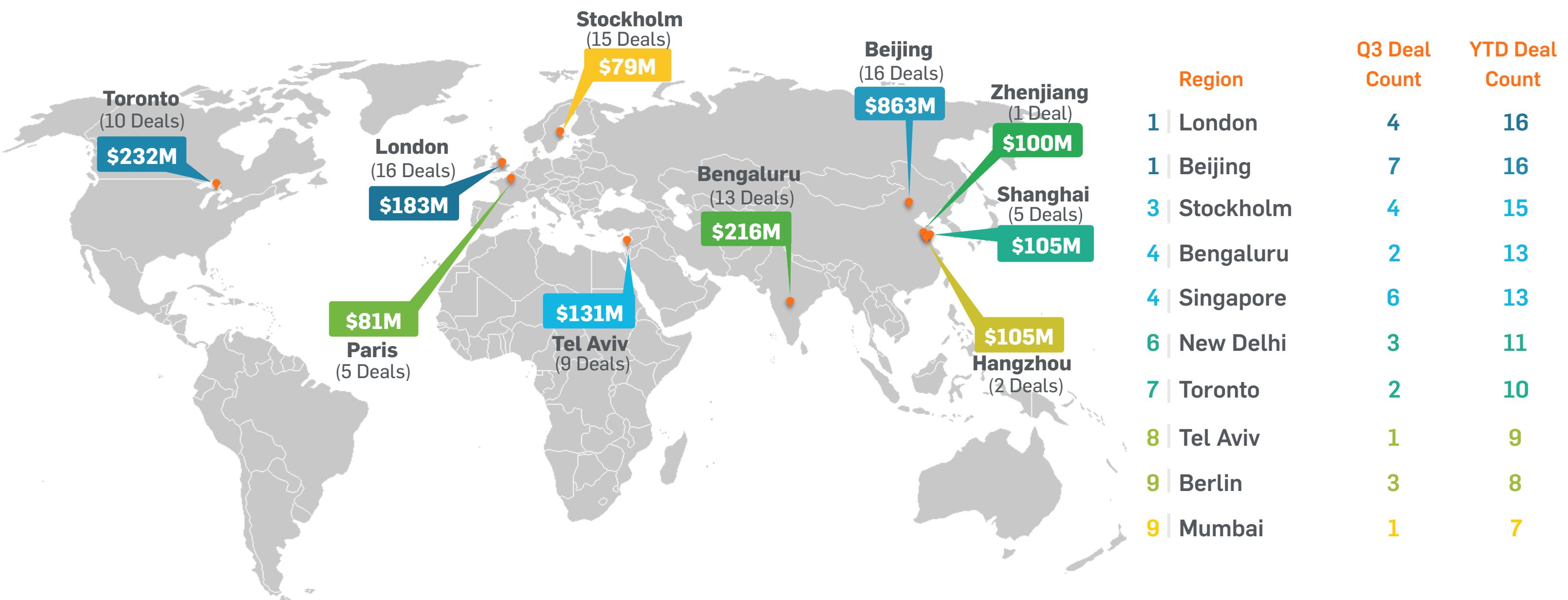
The Greater New York City ecosystem saw nearly \$1.6B across 25 deals in Q3, which surpassed that of any other metro area including the San Francisco Bay Area (\$865M, 29 deals). Over 50% of total deals and dollars went to the Big 3: Bay Area, Boston, and NYC.

Region	Q3 Deal Count	YTD Deal Count
1 SF Bay Area	29	106
2 New York City	25	71
3 Boston	13	37
4 Los Angeles	12	21
5 Chicago	2	9
6 Minneapolis	3	8
6 Seattle	3	8
6 Baltimore	3	8
7 Austin	0	7
8 Denver	2	6
8 Philadelphia	1	6
8 Miami	2	6



INTERNATIONAL METRO HUBS OF 2018 (YTD)

Beijing garnered an impressive \$721M across seven deals in Q3. While this megacity continues to attract significant deals, we see metro areas such as London and Stockholm generating more earlier-stage deals - enough to stay atop this list.



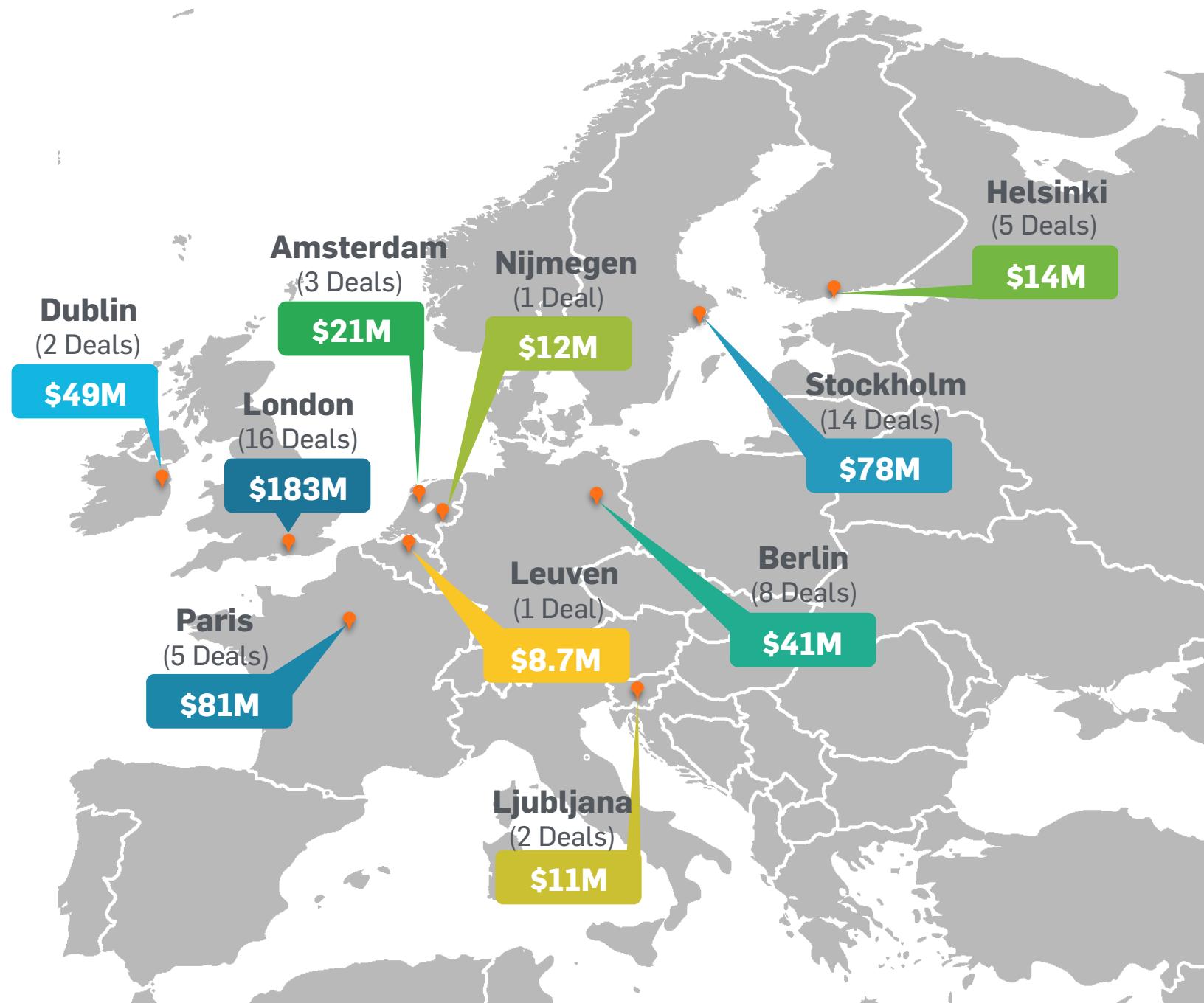
THE TOP 10 INTERNATIONAL DEALS OF 2018 YTD

Six of the top ten international deals of 2018 originated in Q3. China claims half of those deals as Beijing-based companies like LinkDoc and Medlinker each closed almost \$150M this quarter.

	Company	Total Raised	Metro Area
1	 LinkDoc <small>Care Data · Care Life</small>	\$149M	Beijing, China
2	 MEDLINKER	\$147M	Beijing, China
3	PointClickCare®	\$146M	Toronto, Canada
4	 健客 <small>买正品药上健客</small> jianke.com	\$130M	Beijing, China
5	 keep	\$127M	Beijing, China
6	 cure.fit	\$120M	Bengaluru, India
7	BenevolentAI	\$115M	London, England
8	 全域™ ALLCURE	\$102M	Beijing, China
9	 丁香园 www.dxy.cn	\$100M	Zhenjiang, China
10	Helian Health	\$75M	Hangzhou, China

INTERNATIONAL SPOTLIGHT: EUROPE

London and Paris brought in the strongest funding totals in Europe for Q3 2018, but we saw smaller cities like Ljubljana and Nijmegen also carrying their weight in funding amounts.



* Map shows top 10 metro areas by total dollars (USD)

Region	2018 YTD Deal Count	2018 YTD Funding Amount
1 London	16	\$183M
2 Stockholm	14	\$78M
3 Berlin	8	\$41M
4 Paris	5	\$80M
4 Helsinki	5	\$14M
5 Malmo	4	\$2M

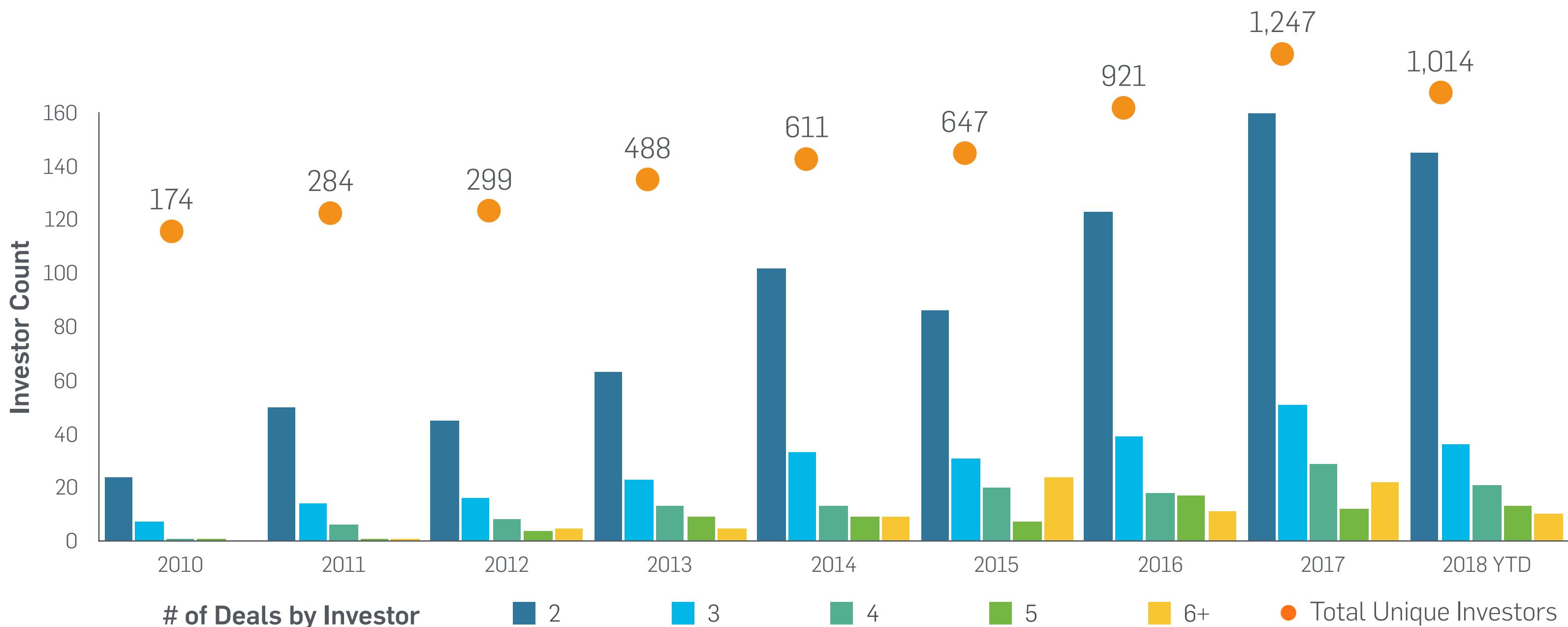
THE MOST ACTIVE INVESTORS OF 2018 (YTD)

Kleiner Perkins and GV made their first appearance of 2018 on the Most Active Investors list this quarter. With five investments in Q3 alone, F-Prime catapulted from sixth place to second place. With one quarter remaining in 2018, investors on this list have already met or exceeded the total number of deals from the previous year.

	Firm	2018 YTD Deals	2017 Total Deals	Stage		
				Early	Mid	Late
1	khosla ventures	13	10	●	●	●
2	FOUNDERS FUND	10	9	●	●	●
2	NEA	10	8	●	●	●
2	F-PRIME	10	8	●	●	●
5	THRIVE CAPITAL	7	5	●	●	●
5	OAK HC/FT	7	0	●	●	●
7	KLEINER PERKINS	6	5	●	●	●
7	General Catalyst Partners	6	6	●	●	●
7	GV	6	6	●	●	●

TOTAL INVESTORS YEAR OVER YEAR

The total number of unique investors in 2018 has already exceeded the total from 2016 and previous years, nearly doubling since Q3 2017. This upward trend is expected to continue into Q4, exceeding final 2017 numbers.



THE MOST ACTIVE FUNCTIONS OF 2018 (YTD)

Patient empowerment continues to hold as the top sector in digital health with over \$2B raised and the highest deal count (149), demonstrating investors' interest in patients as consumers. The Insurance function has seen massive deal sizes, and leads all function median deal size of \$31.2M.

	Function	Total Raised	Deal Count	Avg. Deal Size	Median Deal Size
1	Patient Empowerment	\$2.1B	149	\$14.3M	\$3.0M
2	Wellness	\$1.6B	64	\$25.2M	\$7.0M
3	Biometric Data Acquisition	\$1.5B	50	\$29.8M	\$8.7M
4	Clinical Workflow	\$1.1B	98	\$10.8M	\$3.4M
5	Admin Workflow	\$1.0B	85	\$12.0M	\$3.2M
6	Research	\$964M	37	\$24.7M	\$14.5M
7	Personalized Health	\$857M	54	\$15.9M	\$6.0M
8	Insurance	\$854M	12	\$71.1M	\$31.2M
9	Population Health	\$701M	27	\$25.9M	\$14.0M
10	Education	\$280M	11	\$25.4M	\$23.9M

THE MOST ACTIVE APPLICATIONS OF 2018 (YTD)*

	Application*	Total Raised	Deal Count	Average Deal Size	Median Deal Size
1	Diagnostics / Screening	\$1.9B	57	\$34M	\$10.4M
2	Genomics	\$1.6B	29	\$56M	\$30M
3	Fitness	\$1.2B	38	\$32M	\$7.5M
4	Clinical Decision Support	\$1.1B	45	\$24M	\$8.2M
5	Telemedicine	\$1.0B	53	\$19M	\$5.6M

* The application is the use cases for the Company's technology. Deals may be included in multiple applications.

StartUp Health Company Spotlights:

Telemedicine



CLOUDBREAK

For hospitals that are missing a piece of the clinical care puzzle, Cloudbreak is a unified telemedicine platform delivering multiple specialties over a proprietary broadband network, connecting 800+ hospitals nationwide over 85k times per month.

Diagnostic/Screening



For high risk patients who are likely to develop comorbid conditions or associated complications, Oxitone provides hospital-grade, digital continuous care using the world's first FDA-cleared wrist pulse oximetry monitor with an AI-driven early disease detection & alert system.

THE MOST ACTIVE END USERS OF 2018 (YTD)*

**StartUp Health
Company Spotlight:**

Employee



For sales-driven organizations that need to improve sales performance and retain talent, FitBliss is optimizing performance by correlating CRM data and consumer health device data to improve output, enhance personal wellbeing, and mitigate health risks.

Patient



For patients who need private, personalized self-management support and pharma companies who need to show efficacy & value to justify cost, Curatio is a digital app companion to drug therapies that uses social therapy for improved treatment self-management while collecting real world data on adherence & effectiveness.

	End User	Total Raised	Deal Count	Average Deal Size	Median Deal Size
1	Provider	\$4.5B	241	\$18.6M	\$4.6M
2	Patient	\$4.3B	243	\$19.6M	\$3.8M
3	Consumer	\$3.3B	170	\$19.6M	\$5.2M
4	Employee	\$1.02B	25	\$40.8M	\$6.5M
5	Employer	\$1.01B	24	\$42.1M	\$8.5M

*The end user is the organization or individual who benefits from the Company's value.
Deals may be included in multiple end user types.

THE MOST ACTIVE SPECIALTIES OF 2018 (YTD)*

	Specialty	Total Raised	Deal Count	Average Deal Size	Median Deal Size
1	Multi-Specialty	\$1.9B	126	\$15.4M	\$3.7M
2	General Wellness	\$1.4B	53	\$27.0M	\$6.2M
3	Administration	\$1.17B	72	\$16.3M	\$5.3M
4	Genomics	\$1.15B	17	\$68.0M	\$26.0M
5	Oncology	\$1.06B	20	\$53.0M	\$33.0M

**StartUp Health
Company Spotlight:**

Oncology



For healthcare enterprises, cancer patients and their caregivers, Savor Health is an AI-based personalized nutrition care management and patient engagement platform that can reduce healthcare costs, increase therapy adherence, improve treatment outcomes, and empower patients to take control of their disease.

Administration



For revenue cycle managers and medical providers looking to normalize their billing data into a common data platform, driving more efficient/lower payment outcomes with less human capital intervention, Sift MD is a healthcare analytics platform that holistically leverages all of your data sources to reduce claims denials, increase patient collection rates, and capture clinical insights.

*The specialty is the branch of medicine or disease the Company addresses. Deals may be included in multiple specialty types.

THE MOST ACTIVE TECHNOLOGIES OF 2018 (YTD)*

**StartUp Health
Company Spotlight:**

Analytics Tool

biome

For hospital clinical, quality improvement, financial, marketing, and supply chain teams, Biome's machine-driven, human-enabled solutions combine clients' clinical and financial data with a community-driven library of clinically relevant benchmarks, risk-stratification algorithms, and performance measures.

IoT



For pharmaceutical companies, SmartTab is an ingestible, wireless, remote-controlled drug delivery system providing effective and targeted drug delivery. The mission of Velóce Corporation is to transform drug delivery, monitoring, and optimization of patient care. The right drug, the right place, at the right time.

	Technology	Total Raised	Deal Count	Average Deal Size	Median Deal Size
1	Web App	\$4.4B	268	\$16.1M	\$3.0M
2	Mobile App	\$2.9B	199	\$14.4M	\$4.2M
3	Analytics Tool	\$1.8B	110	\$16.4M	\$4.8M
4	Genetic Sequencing	\$1.3B	17	\$78.0M	\$40.0M
5	IoT	\$964M	27	\$35.7M	\$9.3M

* The technology is the delivery mechanism of a Company's value. Deals may be included in multiple technology types.

STARTUP HEALTH PORTFOLIO M&A ACTIVITY



acquired

June
2018

acquired by

June
2018

acquired by

April
2018iCoreConnect
Simpler. Smarter. Responsive.

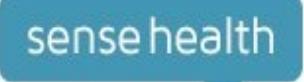
acquired

December
2017

merged with

December
2017

acquired by

September
2017

merged with

April
2017

acquired by

January
2017

acquired by

October
2016

merged with

October
2016

acquired by

October
2016

acquired by

July
2016

acquired by

June
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May
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acquired by

March
2016

acquired by

May
2015

acquired by

March
2014

acquired by

October
2013

acquired by

July
2013

STARTUP HEALTH'S GROWING ARMY



ACQUIRED COMPANIES



ARMY OF HEALTH TRANSFORMERS BY HEALTH MOONSHOT



JOIN THE MOVEMENT

Meet the entrepreneurs transforming health on StartUp Health HQ.

Join today at hq.startuphealth.com

HEALTH TRANSFORMER
Stories From StartUp Health's Global Army of Health Transformers

StartUp Health Welcomes 10 Companies From Four Countries as Part of Global Expansion

This Fast-Growing Startup Is Giving Health Insurance the Full Digital Make-Over

Meet Trusty.care: "Turbo Tax for Medicare"

A New Approach to Health Insurance Puts Small Businesses Front and Center

STARTUP + HEALTH INSIDER

The Digest for Health Transformers & Changemakers



STARTUP + HEALTH NOW

MOONSHOT MOMENTS

HEALTH TRANSFORMER EXPERIENCES

METHODOLOGIES

Sectors:

- We have a broad view of digital health and believe that the current trend is a cross-pollination of technology and data with all aspects of health and healthcare. StartUp Health Insights™ tracks companies that enable health, wellness and the delivery of care through data/analytics, sensors, mobile, internet-of-things, 3D printing, genomics, and personalized medicine.
- StartUp Health tracks companies based on their Health Moonshot, function, applications, specialties, technology types, and end users. Investments in each of these tags are not mutually exclusive, as deals are tagged with multiple Moonshots, applications, specialties, end users, and technology types, based on the company's focus.
- These categorizations fall into The StartUp Health Moonshot ID to help define each company:
 - To achieve the MOONSHOT in SPECIALTY, COMPANY provides END USER with a FUNCTION TECHNOLOGY for APPLICATIONS.

Stage of Funding:

- StartUp Health Insights™ records only publicly available data on cash for equity investments as the cash is actually received by the company. StartUp Health Insights™ is inclusive of accelerator, pre-seed, seed, venture, corporate venture, and private equity funding.
- Early stage: The company has raised a Seed or Series A round
- Mid stage: The company has raised a Series B or Series C round
- Late stage: The company has raised a Series D or other growth equity round
- StartUp Health also tracks accelerator rounds and other financings into privately-held entities (e.g. "unnamed" venture rounds, strategic investments, growth equity, and private equity).
- In tabulating deal activity by stage we excluded rounds not clearly associated with a specific stage.

Sources:

- Funding data is from StartUp Health Insights™, the most comprehensive funding database for digital health, and managed by the StartUp Health team. Information, data, and figures represent only publicly available data.
- Data for acquisitions slide was provided by a range of sources including StartUp Health Insights™, CrunchBase, AngelList, and news reports.
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- If you find an error please let us know so we can correct it.

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