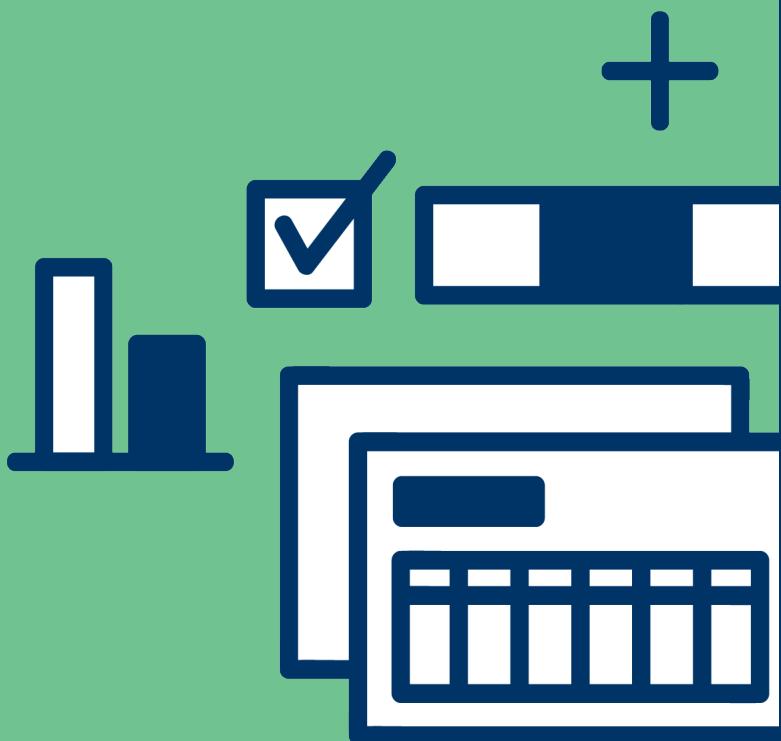




State Of Healthcare Report: Investment & Sector Trends To Watch



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“

Using the CB Insights platform has allowed AdventHealth to work smarter. We are able to identify competitive threats and understand where the market is moving so we can differentiate our product offering accordingly.

Nicholas Archer

CEO of Project Fulcrum, AdventHealth



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[Tech Market Map Report: Healthcare Providers Digitization & Task Automation Tech](#)

[The Omics Market Map: 60+ Companies Defining The Future Of Biological Data](#)

[Reinventing Sleep: What 10 Partnerships Tell Us About Where Sleep Tech Is Going Next](#)

[Medicare Advantage Partnerships And What They Tell Us About Competition Between Insurers](#)

[AI In Healthcare Heatmap: 1.2K+ Deals Across Genomics, Drug Discovery, And More](#)

[The Hospital Of The Future: 90+ Companies Reimagining How Healthcare Is Delivered](#)

[150+ Private Companies Driving The Transformation To Value-Based Care](#)

[Apple's AI Strategy In Healthcare: How The Tech Giant Is Tackling Heart Health, Cognitive Health, Elder Care, And More](#)

[How Telehealth Can Improve Surgical Care](#)



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2020 State Of Healthcare



AI

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



TELEHEALTH

Companies using technology to remotely deliver clinical health services to patients



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OMICS

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CYBERSECURITY

Companies protecting healthcare providers from digital threats (e.g. malware, insider abuse, phishing, etc.)

Summary of findings

Overall healthcare industry trends

Global healthcare funding hit a new record in 2020: A total of \$80.6B in equity funding was raised across 5.5K+ deals. North America, Asia, and Europe all saw a boost in funding year-over-year (YoY). There were 187 healthcare mega-rounds (\$100M+) in 2020, a new record.

Funding grew for the third consecutive quarter: Despite the impact of the Covid-19 pandemic, funding trended up each quarter since Q1'20. However, Q4'20 deal activity declined by 13% quarter-over-quarter (QoQ).

Early-stage deal share dropped off in Q4'20: The proportion of healthcare deals going to early-stage companies steadily declined since Q3'19. This trend continued in Q4'20 with mid- and late-stage deals increasing their share.

Global digital health funding jumped by 45% YoY: Equity funding to digital health companies reached \$26.5B in 2020 – an all-time high – while the annual deal count increased by 1%. However, both the funding and deal count for Q4'20 declined QoQ, by 2% and 21% respectively.

Q4'20 saw a spree of digital health exits: There were a number of M&A activities as companies looked to consolidate their offerings. Meanwhile, companies such as Butterfly Network and Hims & Hers went public via SPACs as opposed to traditional IPOs.

Summary of findings

Healthcare sector-specific trends

AI: Q4'20 saw a new healthcare AI funding record of nearly \$2.3B, largely propelled by mega-rounds. However, deals dropped by about 19% from the previous quarter's record.

Telehealth: Global telehealth startups raised a record \$3.3B in funding in Q4'20. While deals declined 32% quarter-over-quarter, Q4'20 deals still represented a 24% year-over-year increase from Q4'19.

Medical devices: Medical device startups raised nearly \$6B in Q4'20, seeing a QoQ boost in funding even as deals declined by 25%. Exit activity reached its highest point in more than 3 years with a total of 64 exits.

Mental health: Q4'20 funding to mental health companies increased by 30% while deal count fell quarter-over-quarter. Overall, 2020 saw a record high of \$2B in equity funding, with early-stage deals continuing to dominate deal share.

Women's health: Funding to women's health companies reached \$521M in Q4'20 – a slight QoQ decline of less than 1%. The deal count fell by 14% over the same period. However, 2020 saw an all-time high in deal activity with 239 deals, 62% of which went to early-stage companies.

Omics: Omics funding hit a record high in Q4'20 with \$2.2B invested despite a decline in deals. The space is also showing signs of maturity, with early-stage deal share continuing a gradual decline.

Cybersecurity: Q4'20 ranked as the second-biggest quarter for funding to healthcare cybersecurity companies over the past 3 years. While deals fell to a recent low of 13 in Q4, nearly half were \$100M+ mega-rounds.

Healthcare Market Drivers

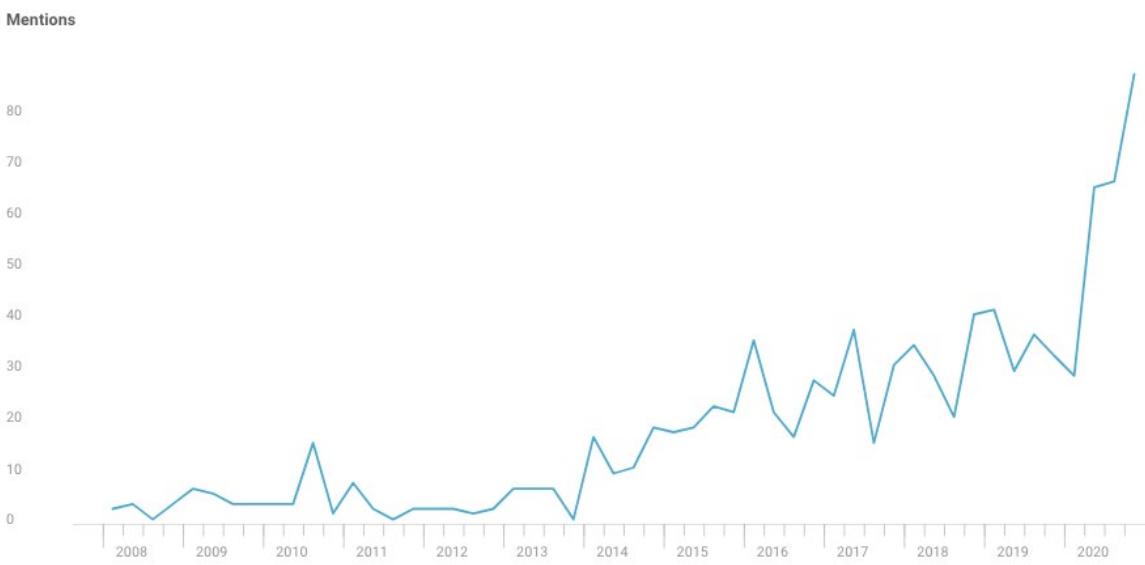


MARKET DRIVERS

Covid-19 continues to spur innovation

The Covid-19 pandemic placed a spotlight on inefficient practices within traditional care delivery. Technology became necessary for some patients to access care, thereby relaxing industry barriers, driving new collaborations, and creating market opportunities.

Earnings calls mentions, healthcare AND (digitization OR digital OR automation), 2008 – 2020



FDA authorized more than 300 Covid-19 tests and collection kits in 2020

January 5, 2020



Decentralized Trials & Research Alliance (DTRA) Launches to Democratize and Accelerate Clinical Trials

December 10, 2020



MARKET DRIVERS

Data becomes essential for healthcare stakeholders

Across the healthcare industry, processes are becoming more digitized to streamline operations, drive prices down, and enhance treatments. Technological advancements and data-dependent business models are also driving market activities.

CMS Proposes Rule to Streamline Prior Authorization, Data Exchange

December 14, 2020

EHR
INTELLIGENCE
xtelligent HEALTHCARE MEDIA

"As Covid continues to disrupt global healthcare, it's also underscoring the value of healthcare interoperability, interconnected information systems, and **access to timely population-level data and analysis.**"

Brent Shafer, Cerner

[Earnings call](#), October 29, 2020

WORKFLOW AUTOMATION



\$130M Series D
(12/10/20)



\$225.5M Series G
(12/1/20)

PRECISION MEDICINE



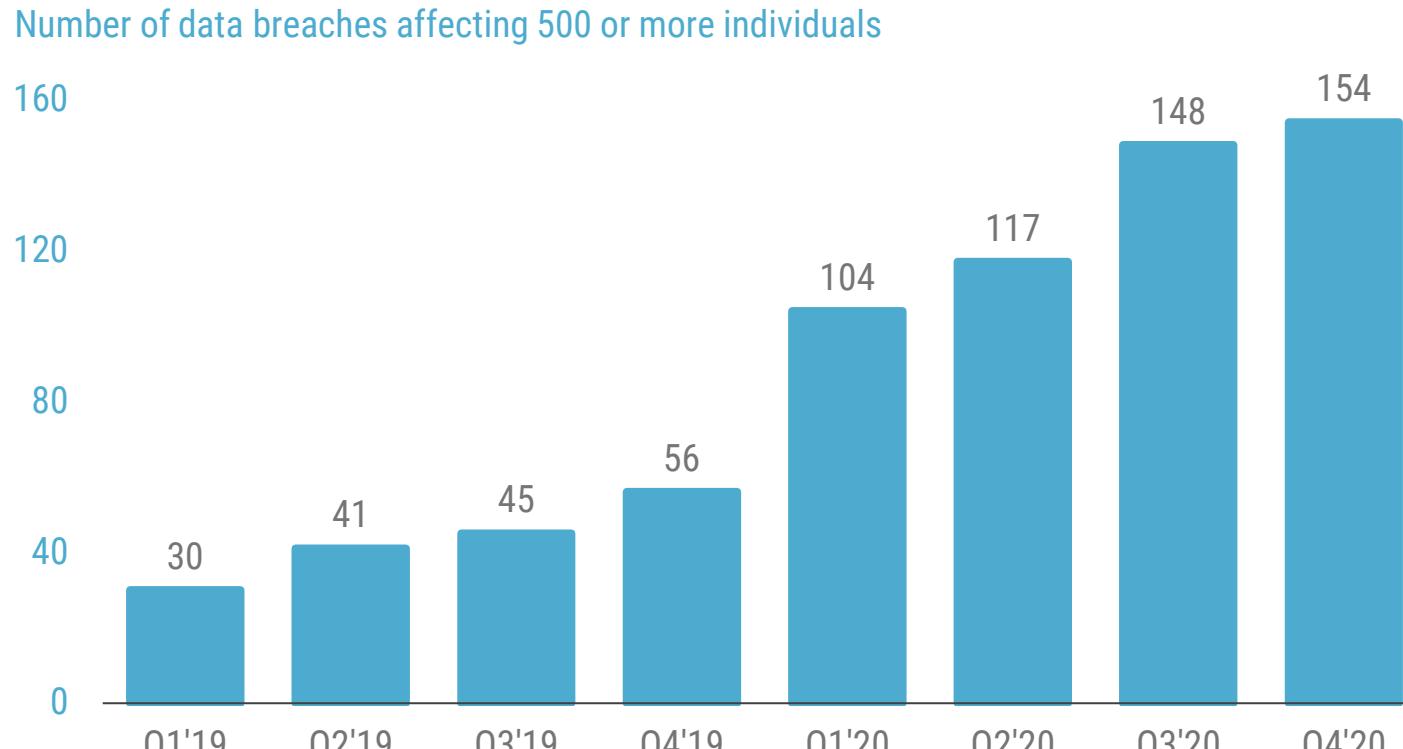
\$110M Series F
(10/1/20)



\$200M Series G – II
(12/10/20)

Reliance on data puts spotlight on cybersecurity

Reported data breaches in the US healthcare sector reportedly rose nearly 3x between Q4'19 and Q4'20. Malicious actors targeted the industry as it faced heightened demand for in-person and virtual care during the Covid-19 pandemic.



"UNC1878, an Eastern European financially motivated threat actor, is deliberately targeting and disrupting US hospitals, forcing them to divert patients to other healthcare providers."

Charles Carmakal
Strategic Services CTO,
FireEye

Consumerization of healthcare gains momentum

Consumer-centric services aim to make it easier for patients to navigate healthcare. They emphasize traits such as ease of use, price transparency, and personalization. Covid-19 has further underscored this growing trend along with the rising prevalence of costly chronic conditions and physician shortages.

"We are accelerating elements of our strategy with innovative healthcare offerings that address the **evolving consumer landscape** providing both **personalized and connected care** that deliver better health outcomes."

Larry Merlo, CVS Health CEO
Earnings call, November 6, 2020

BEHAVIORAL & LIFESTYLE COACHING



\$65M Series D
(12/2/20)

REMOTE PATIENT MONITORING



\$65M Series E
(11/16/20)

AT-HOME TESTS



\$175M Series D
(12/3/20)

SYMPTOM CHECKING & TRIAGE



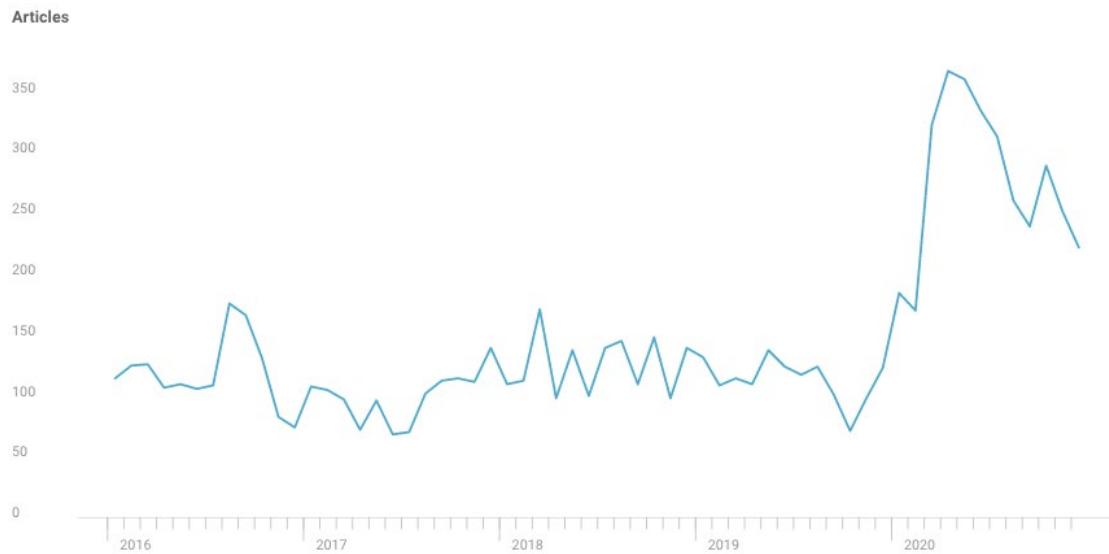
\$100M Convertible Note
(12/17/20)

MARKET DRIVERS

The aging US population is creating market opportunities

The number of Americans aged 65+ is projected to almost double from 52M in 2018 to 95M by 2060. From in-home monitoring to primary care services, tech-enabled solutions for this demographic could improve general wellbeing, prevent hospital readmissions, and reduce utilization of healthcare services.

News mentions of “senior care” or “elder care,” 2016 – 2020



ACCESS TO CARE FROM HOME



\$18M Series A round
(10/19/20)



\$40.4M financing
(11/4/20)



Launched Papa Health, a virtual care platform
(12/15/20)

MEDICARE PROVIDERS



\$140M Series F round (12/17/20)
Filed for an IPO (12/21/20)



Went public via a SPAC
(1/8/21)

Big tech ramps up healthcare initiatives in Q4'20

	<ul style="list-style-type: none">Products: Received FDA clearance for an updated version of its ECG feature (A-Fib with high heart rate); launched its fitness platform Apple Fitness+Partnership: Apple Fitness+ platform provided for free to UnitedHealthcare Motion well-being program members
 Microsoft	<ul style="list-style-type: none">Products: Launched Microsoft Cloud for HealthcarePartnerships: Announced partnership with Sensyne Health to develop clinical AI and health cloud capabilities; launched Covid-19 vaccine management platform with Accenture, Avanade, EY, and Mazik Global
	<ul style="list-style-type: none">Investments: Invested in AI platforms Wysa (chatbot) and Tempus (real-world evidence); GV's investments include Olive and Nym, which offer AI-driven services for provider workflowsProducts: Launched Google Health Studies, a mobile app for clinical research; Google Cloud launched Healthcare Interoperability Readiness Program for healthcare organizations; Google Cloud unveiled 2 AI tools to analyze unstructured medical textPartnerships: Google Cloud announced a 6-year partnership with Highmark Health; partnership with US Department of Health and Human Services (HHS) for a pilot program to help patients plan for future medical appointments
	<ul style="list-style-type: none">Products: Launched Amazon Pharmacy (pharmacy service for Prime members), Amazon HealthLake (data management service), and made its Amazon Halo wearable device available to the general public; opened 4 more primary care clinics for its employees with Crossover Health

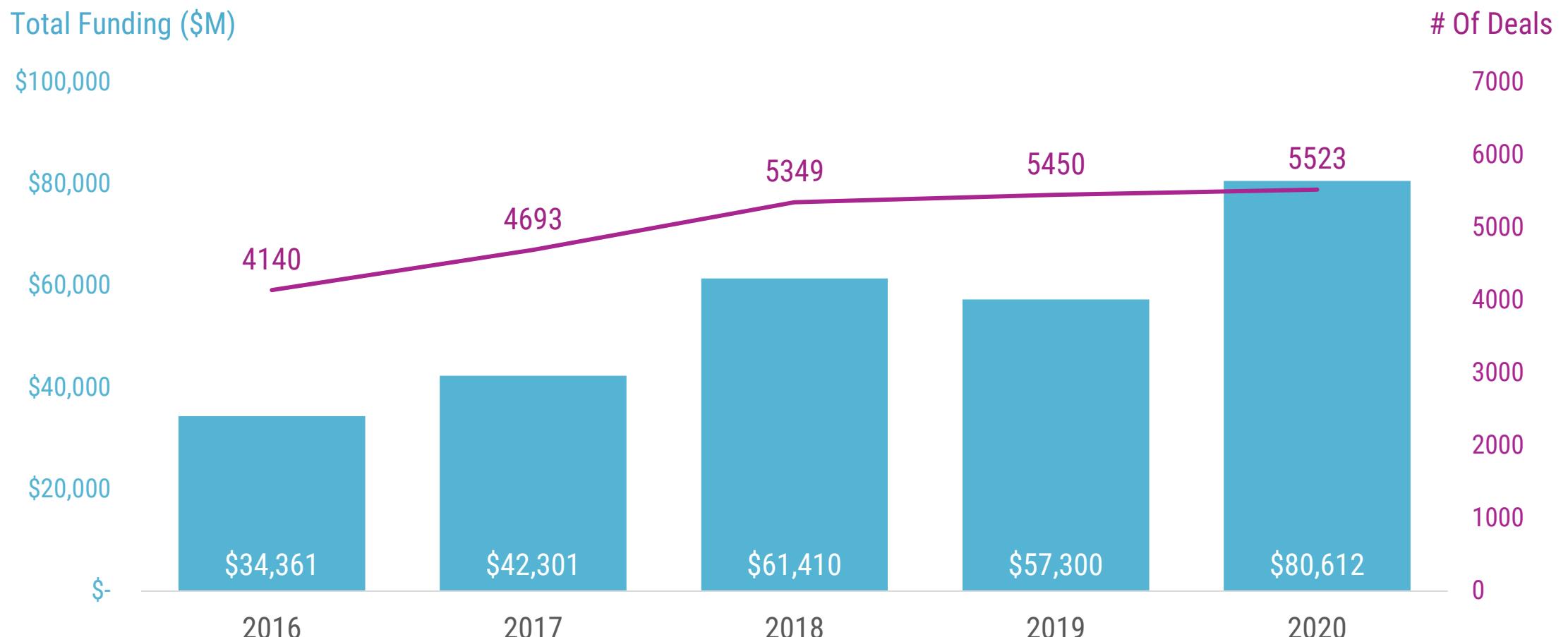
Healthcare Investment Trends



HEALTHCARE INVESTMENT TRENDS

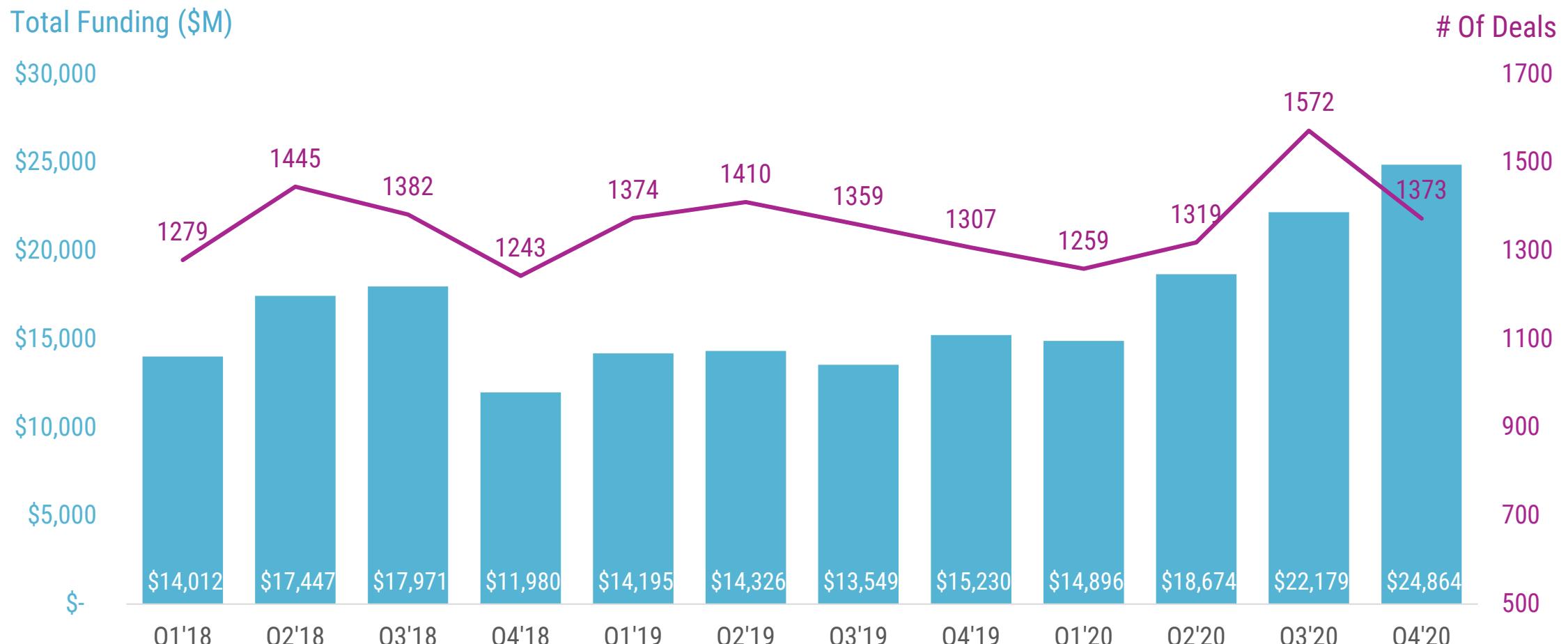
Funding reached a new high of \$80.6B in 2020

Annual global healthcare funding and deal count, 2016 – 2020



Funding reached new heights while deals slumped

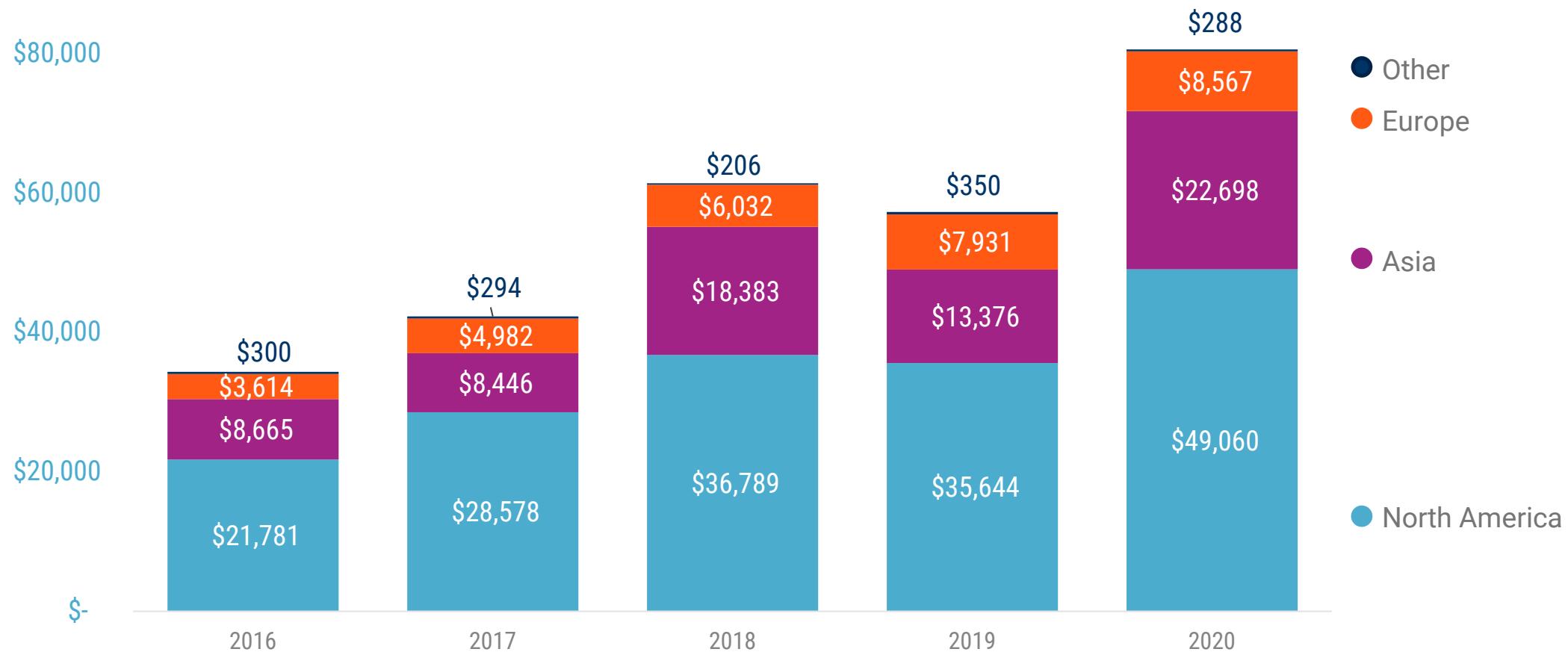
Quarterly global healthcare funding and deal count, Q1'18 – Q4'20



HEALTHCARE INVESTMENT TRENDS

Asia saw a 70% jump in healthcare funding in 2020

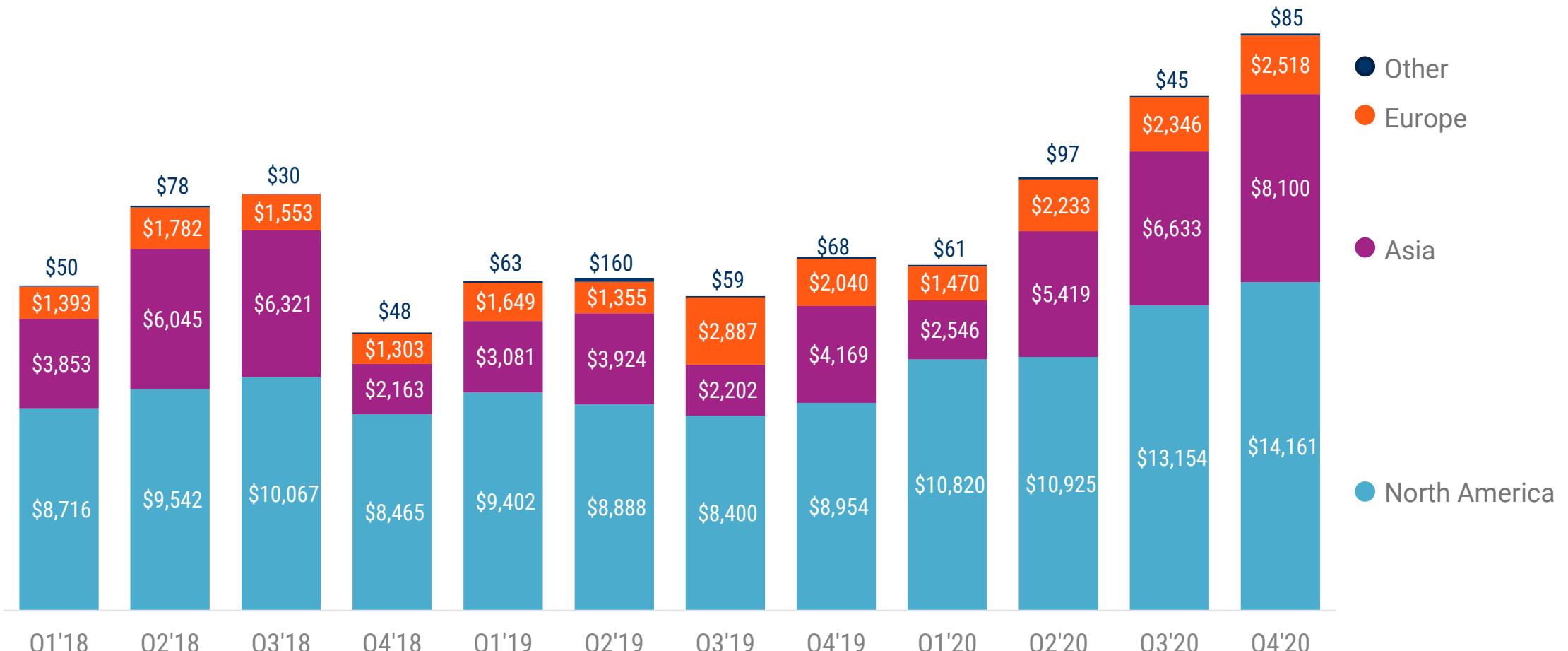
Annual global healthcare funding (\$M) by continent, 2016 – 2020



HEALTHCARE INVESTMENT TRENDS

Since Q1'20, funding trended up around the world

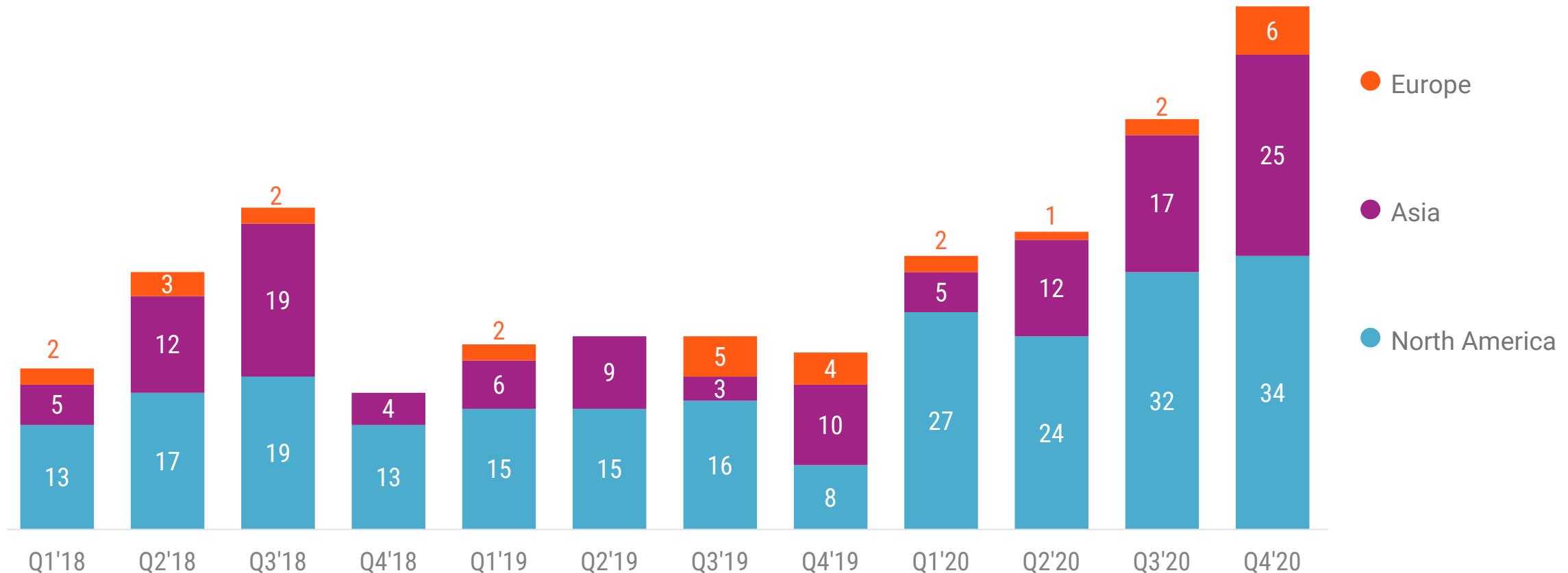
Quarterly global healthcare funding (\$M) by continent, Q1'18 – Q4'20



HEALTHCARE INVESTMENT TRENDS

Mega-rounds continued to rise throughout the year

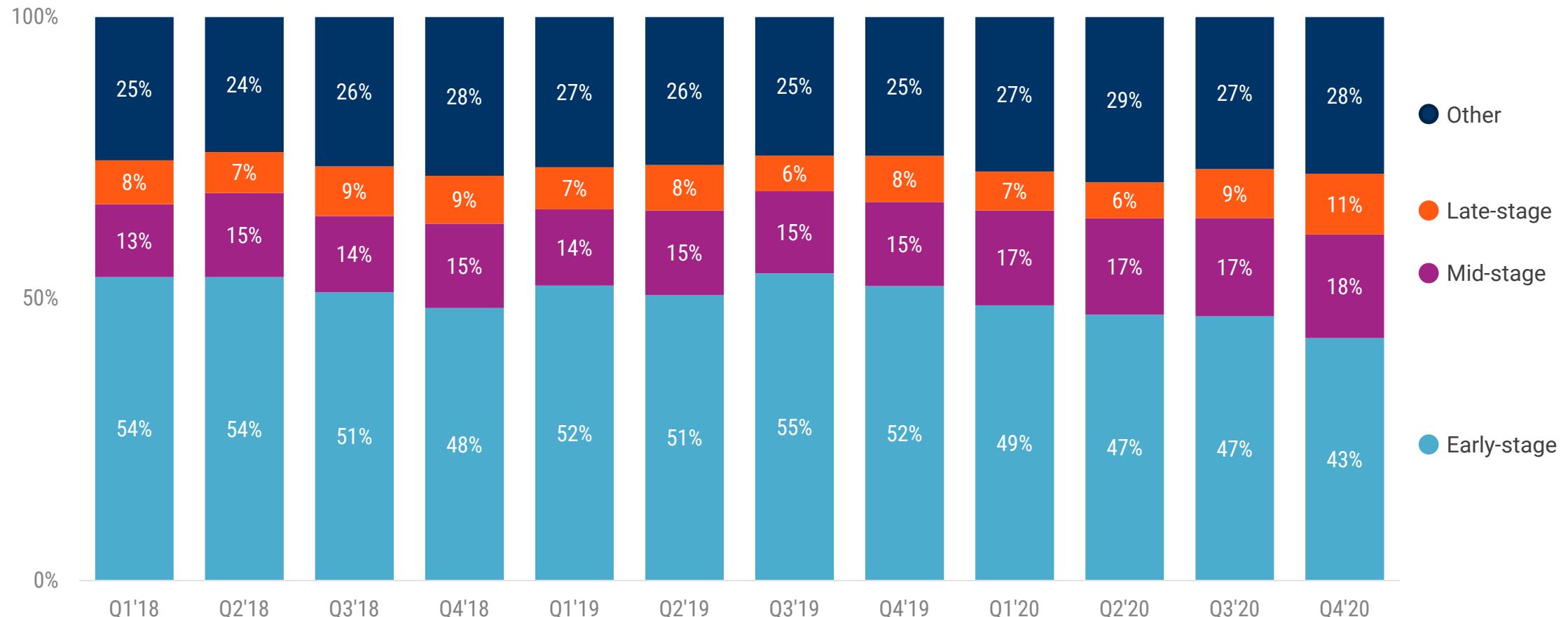
Quarterly healthcare mega-round deal count by continent, Q1'18 – Q4'20



HEALTHCARE INVESTMENT TRENDS

Early-stage deals dropped off in Q4'20

Percentage share of global healthcare deals by stage, Q1'18 – Q4'20



HEALTHCARE INVESTMENT TRENDS

SPACs played a major role in digital health exits in Q4'20

Company	Exit date	Exit type	Total disclosed funding (\$M)	Description
 JD.COM	12/8/2020	IPO	\$1,830M	China-based JD Health is a platform for online pharmacy, telemedicine, and other consumer health services.
 Butterfly™	11/20/2020	SPAC merger	\$354M	Butterfly Network develops AI-enabled diagnostic and therapeutic imaging devices. Acquirer: Longview Acquisition Corp.
 AbCellera	12/11/2020	IPO	\$247M	AbCellera Biologics provides a single-cell platform for therapeutic antibody discovery for biotech and pharma companies.
hims & hers	10/1/2020	SPAC merger	\$197M	Hims & Hers provides telehealth services along with wellness products for consumers. Acquirer: Oaktree Acquisition
 AUGMEDIX	10/5/2020	SPAC merger	\$107M	Augmedix provides remote medical documentation services for clinicians. Acquirer: Malo Holdings Corp.

Select digital health M&A deals of Q4'20

Bridging gaps between providers & payers

PointClickCare®



collective medical®

Canada-based EHR platform **PointClickCare** acquired **Collective Medical**, which helps providers and payers collaborate, for \$650M.

December 7, 2020

Olive



VERATA
HEALTH

Back-end operations

Robotic process automation company **Olive** acquired **Verata Health**, which offers AI-based products to improve the prior authorization process.

December 3, 2020

ro

workpath

In-home care services

Telehealth company **Ro** acquired **Workpath**, which develops an API system for providers to offer on-demand, in-home care services.

December 8, 2020

KYRUUS



HEALTHSPARQ®

Patient access platform **Kyruus** acquired **HealthSparq** – part of Cambia Health Solutions – to create a unified platform connecting payers and providers.

December 17, 2020

**CENTENE®
Corporation**



APIXIO®

Centene acquired **Apixio**, which uses AI tools to extract and analyzes clinical data for cost-related insights and health outcomes.

November 9, 2020

signifyhealth.



PatientBlox

Home care company **Signify Health** acquired **PatientBlox** – a blockchain platform that facilitates value-based payments.

November 23, 2020

HEALTHCARE INVESTMENT TRENDS

Top 5 funding rounds of Q4'20

Company	Deal date // Amount raised (\$M)	Total disclosed funding (\$M)	Select investors	Description
RESILIENCE	Nov'20 // \$800M	\$850M	ARCH Venture Partners, New Enterprise Associates, Google Ventures, 8VC	RESILIENCE develops manufacturing technology solutions for biopharmaceuticals such as cell and gene therapies and vaccines.
verily	Dec'20 // \$700M	\$2,500M	Alphabet, Silver Lake, Temasek	Verily Life Sciences is a subsidiary of Alphabet and develops tools and devices for disease management.
SINOVAC	Dec'20 // \$515M	\$530M	Sino Biopharmaceutical	China-based Sinovac Research & Development, a subsidiary of Sinovac Biotech, develops infectious disease vaccines.
 丁香园 <small>www.dxy.cn</small>	Dec'20 // \$500M	\$672M	Tencent Holdings, Trustbridge Partners, Hillhouse Capital Management	China-based Dxy.cn offers a healthcare information sharing platform for its registered users.
 微医 <small>WeDoctor</small>	Dec'20 // \$350M	\$1,386M	Undisclosed Investors	China-based We Doctor provides online and mobile healthcare solutions.

HEALTHCARE INVESTMENT TRENDS

New healthcare unicorns (\$1B+ valuation) in Q4'20

Company	Deal date // Amount raised (\$M)	Total disclosed funding (\$M)	Select investors	Description
 PHARMAPACKS ALL YOUR DAILY NEEDS	Nov'20 // \$250M	\$476M	The Carlyle Group	PharmaPacks offers an e-commerce platform for health, personal care, and beauty products. Valuation: \$1.1B
 Olive	Dec'20 // \$226M	\$459M	Tiger Global Management, General Catalyst, Sequoia Capital, Google Ventures	Olive develops a robotic process automation platform for automating healthcare administrative processes. Valuation: \$1.5B
 everlywell	Dec'20 // \$175M	\$231M	Foresite Capital, Lux Capital, BlackRock, Morningside Venture Partners	Everlywell provides a digital platform for various at-home healthcare tests. Valuation: \$1.2B
 CITYBLOCK	Dec'20 // \$160M	\$299M	General Catalyst, Wellington Management, Redpoint Ventures, Kinnevik	Cityblock Health offers healthcare services for low-income patients and those with complex medical needs. Valuation: \$1B
 virta	Dec'20 // \$65M	\$244M	Sequoia Capital, Caffeinated Capital	Virta Health develops treatments for type 2 diabetes and other metabolic conditions without medications or surgery. Valuation: \$1.1B

Globally there are

46 HEALTHCARE UNICORNS

Valued in aggregate at

\$110 BILLION

Q4'20 Healthcare Sector Highlights



2020 State Of Healthcare



AI

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



TELEHEALTH

Companies using technology to remotely deliver clinical health services to patients



MEDICAL DEVICES

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



MENTAL HEALTH

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



WOMEN'S HEALTH

Companies focused specifically on providing healthcare products and services to women



OMICS

Companies involved in the capture, sequencing, and/or analysis of genomic, transcriptomic, proteomic, and/or metabolomic data



CYBERSECURITY

Companies protecting healthcare providers from digital threats (e.g. malware, insider abuse, phishing, etc.)

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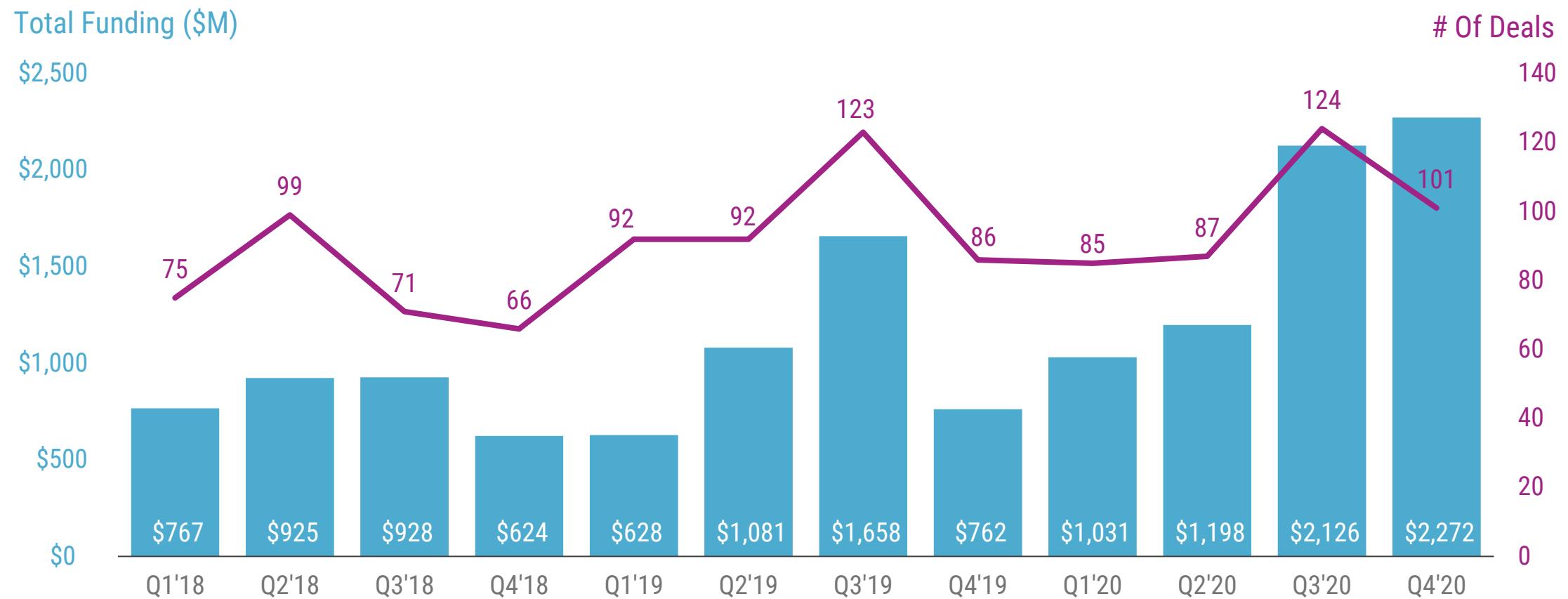


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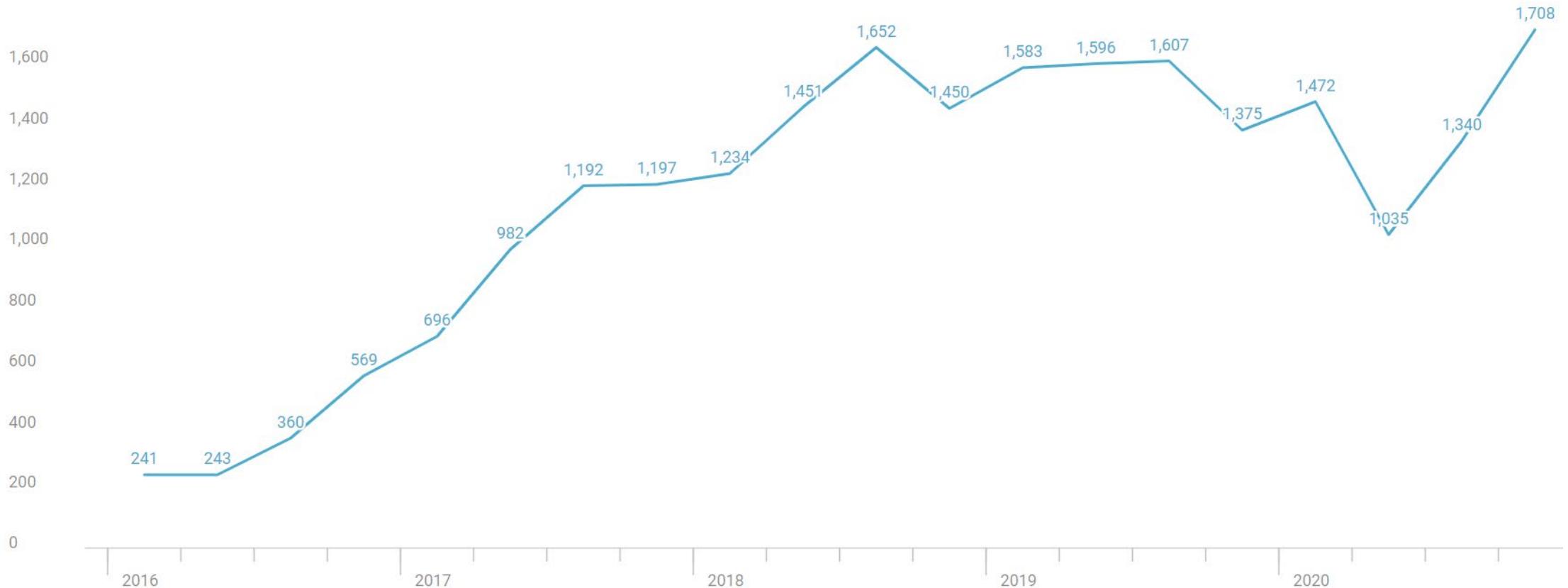
Healthcare AI startup funding reached record high

Quarterly global healthcare AI funding and deal count, Q1'18 – Q4'20



Exec discussion of healthcare AI shoots up

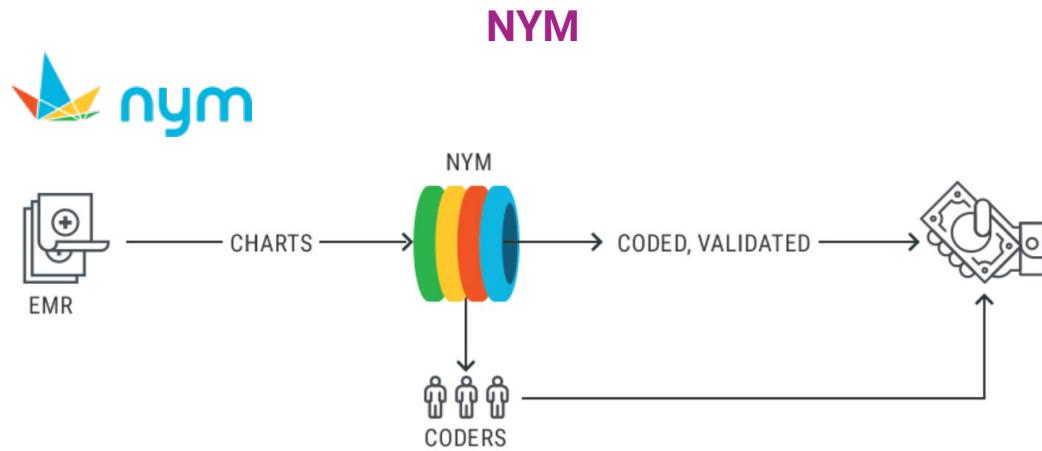
Earnings calls mentions of (“artificial intelligence” or “machine learning”) and “healthcare,” Q1’16 – Q4’20



Top AI deals emphasize genomics and provider workflows

Company	Deal date // Amount raised (\$M)	Total disclosed funding (\$M)	Select investors	Description
Olive	Dec'20 // \$226M	\$459M	Google Ventures, Tiger Global Management, Sequoia Capital, General Catalyst, Dragoneer Investment Group	Olive uses AI-powered robotic process automation to reduce manual provider workflows, such as claims processing or prior authorization management.
TEMPUS	Dec'20 // \$200M	\$1070M	Franklin Templeton, Novo Holdings, Google, Baillie Gifford & Co., T. Rowe Price	Tempus is using machine learning to build and analyze a library of clinical and molecular genomic data to enable personalized treatment in oncology.
LeanTaaS	Dec'20 // \$130M	\$224M	GS Growth, Insight Partners	LeanTaaS uses machine learning to match open resources, such as operating rooms, patient beds, available doctors, and more, with patients that need them most.
SOPHiA™	Oct'20 // \$110M	\$251M	aMoon Partners, Generation Investment Management, Swisscom Ventures, Hitachi Ventures, Credit Suisse Entrepreneur Capital	SOPHiA is a precision medicine startup using machine learning to analyze genomic data and determine optimal treatments for diseases.
babylon	Dec'20 // \$100M	\$735M	Vostok New Ventures	Telehealth startup Babylon Health uses AI chatbots to screen patient symptoms and offer medical care via its platform.

Google bets on AI in revenue cycle management



Latest round: Series A (10/12/2020)

Amount: \$16.5M

About: Nym is developing machine learning software to automate medical coding in the hospital billing process. The startup uses natural language processing to understand unstructured physician notes and automatically assign billing codes to patient symptoms and procedures. Google's GV led this Series A round.



Latest round: Series G (12/1/2020)

Amount: \$225.5M

About: Olive uses artificial intelligence and robotic process automation to identify and conduct repetitive tasks in the revenue cycle. The startup is building products across revenue cycle management, from claims processing to prior authorization management. Google's GV participated in this Series G financing.

Two healthcare AI unicorns exited

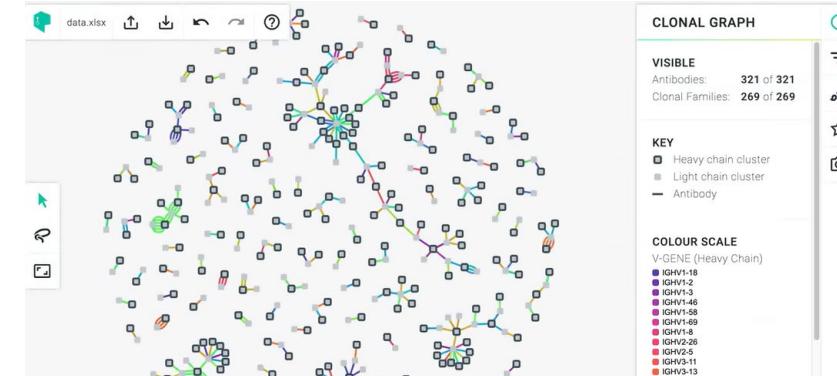
BUTTERFLY NETWORK



Latest round: Reverse Merger (11/20/20) **Exit Valuation:** \$1,500M

About: Butterfly Networks develops portable, handheld ultrasound devices – intended for medical and veterinary purposes – that plug into smartphones. The company uses artificial intelligence to help users take accurate ultrasounds and interpret images.

ABCELLERA BIOLOGICS



Latest round: IPO (12/11/20) **Exit Valuation:** \$4,651M

About: AbCellera Biologics uses its machine learning platform to analyze naturally occurring antibodies to support drug development. The startup provides its SaaS product to pharmaceutical partners rather than developing its own internal pipeline.

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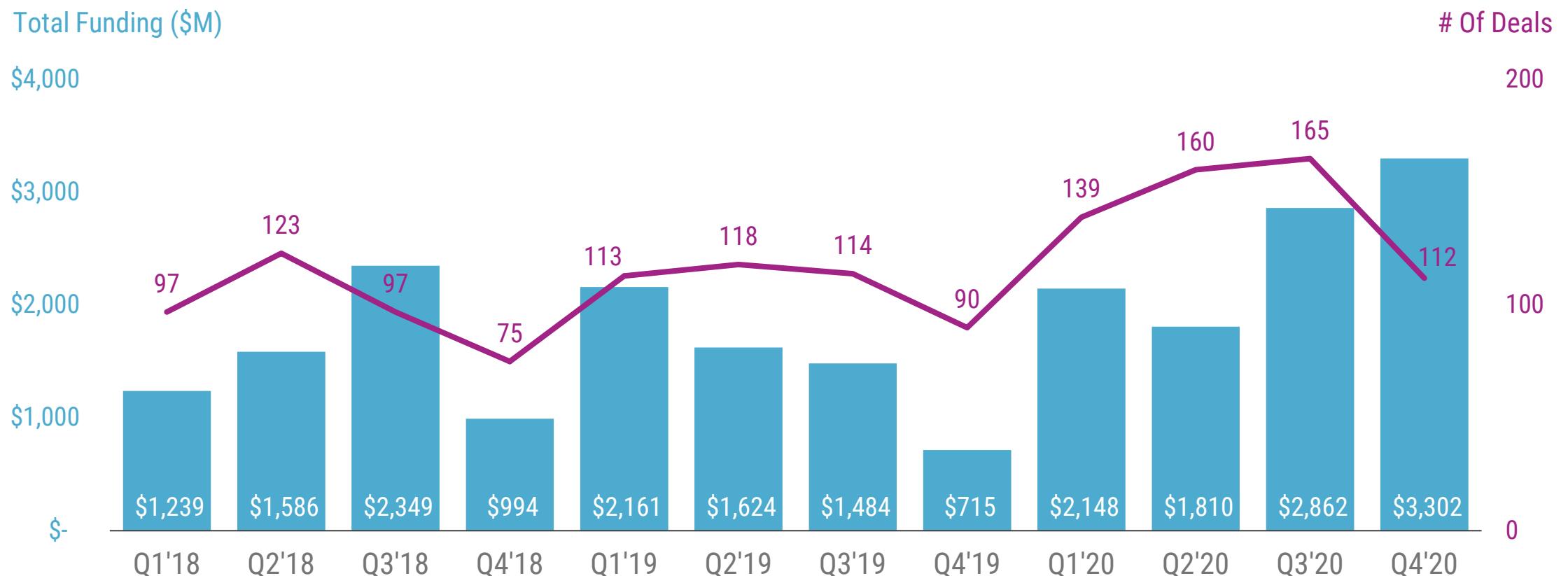


CYBERSECURITY

Companies protecting healthcare providers from digital threats (e.g. malware, insider abuse, phishing, etc.)

Telehealth startups raised a record \$3.3B in Q4'20

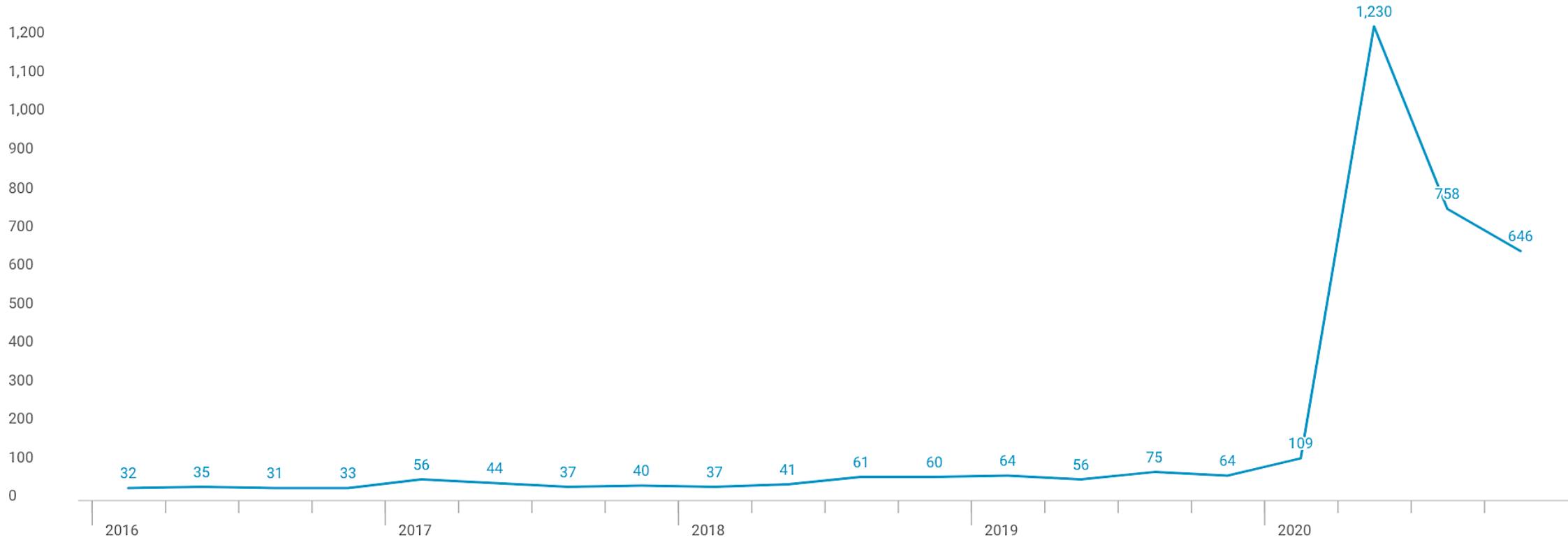
Quarterly global telehealth funding and deal count, Q1'18 – Q4'20



Telehealth remains highly topical vs. pre-Covid-19

Earnings calls mentions of telehealth, Q1'16 – Q4'20

Mentions



Several telehealth startups made acquisitions to enhance and expand their offerings

Talkspace announces acquisition of relationship counseling app Lasting

December 12, 2020 | 

Ro acquires Workpath to offer in-home care services nationwide

December 8, 2020 | 

Livi acquires practice communication service MJog

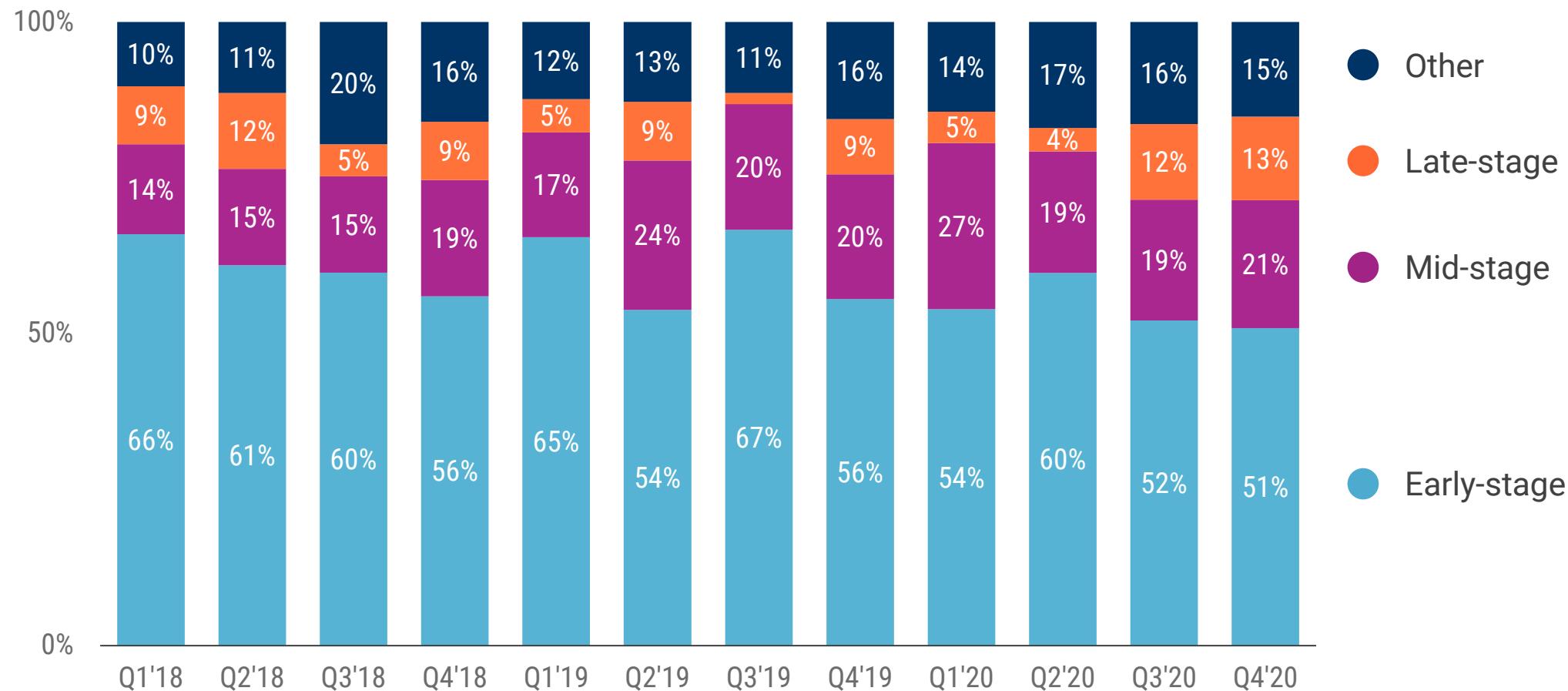
October 23, 2020 | 

HealthHero acquires digital triage platform Doctorlink

December 3, 2020 | 

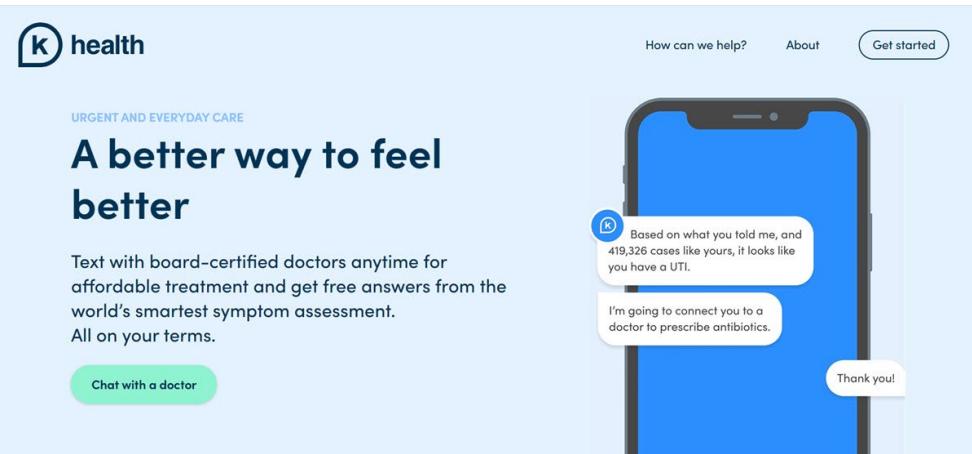
Early-stage deal share hit its lowest point in 3+ years

Quarterly global telehealth deal share by stage, Q1'18 – Q4'20



Text-based primary care rivals raised late-stage rounds

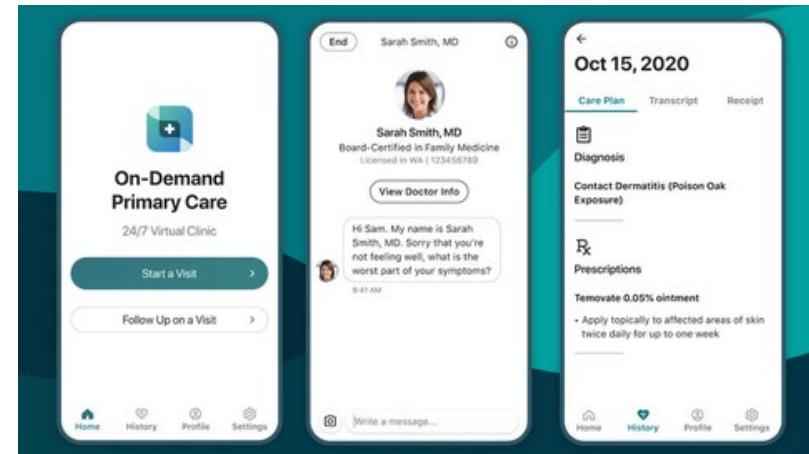
K HEALTH



Latest Round: Series D (11/18/2020) **Amount:** \$42M

About: K Health offers a text-based primary care app where users interact with an AI-based chatbot (for free) to see how users with similar symptoms have been diagnosed and then, if necessary, can chat with a physician for a fee. The company says it has 4M users in the US.

98POINT6



Latest Round: Series E (10/15/2020) **Amount:** \$118M

About: 98point6 is a healthcare technology company that works with board-certified physicians to deliver private, text-based diagnosis and treatment via a mobile app. The company says it now has more than 240 commercial partnerships, accounting for 3M members.

Business relationships continued to gain momentum in the remote monitoring space

Babyscripts forms commercial partnership with Roche to develop RPM programs for pregnancy

October 21, 2020 |



BABYSCRIPTS™



Amwell builds on partnership with remote medical exam startup TytoCare

October 1, 2020 |



Biofourmis, Brigham & Women's Hospital co-develop tech solution to enable home hospital care

December 3, 2020 |



BRIGHAM AND WOMEN'S HOSPITAL

Fresenius Medical Care partners with Livongo to empower people with chronic kidney disease

October 7, 2020 |



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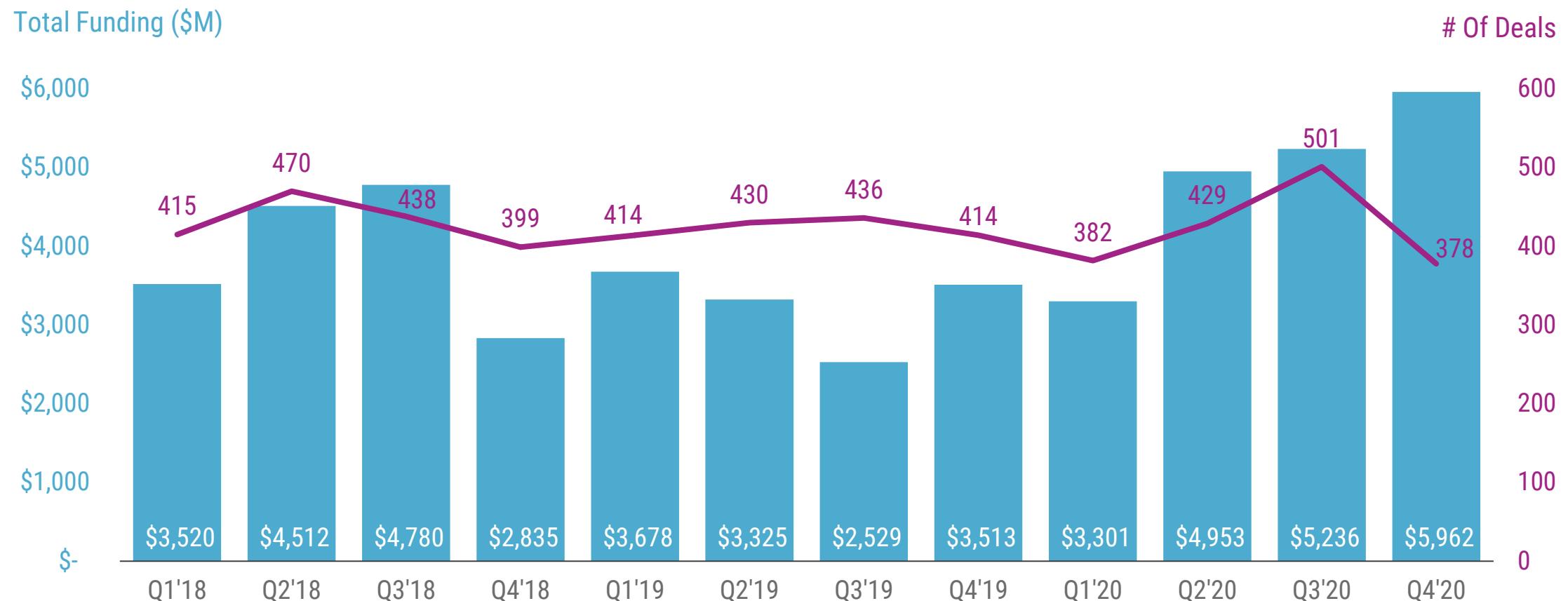


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Companies protecting healthcare providers from digital threats (e.g. malware, insider abuse, phishing, etc.)

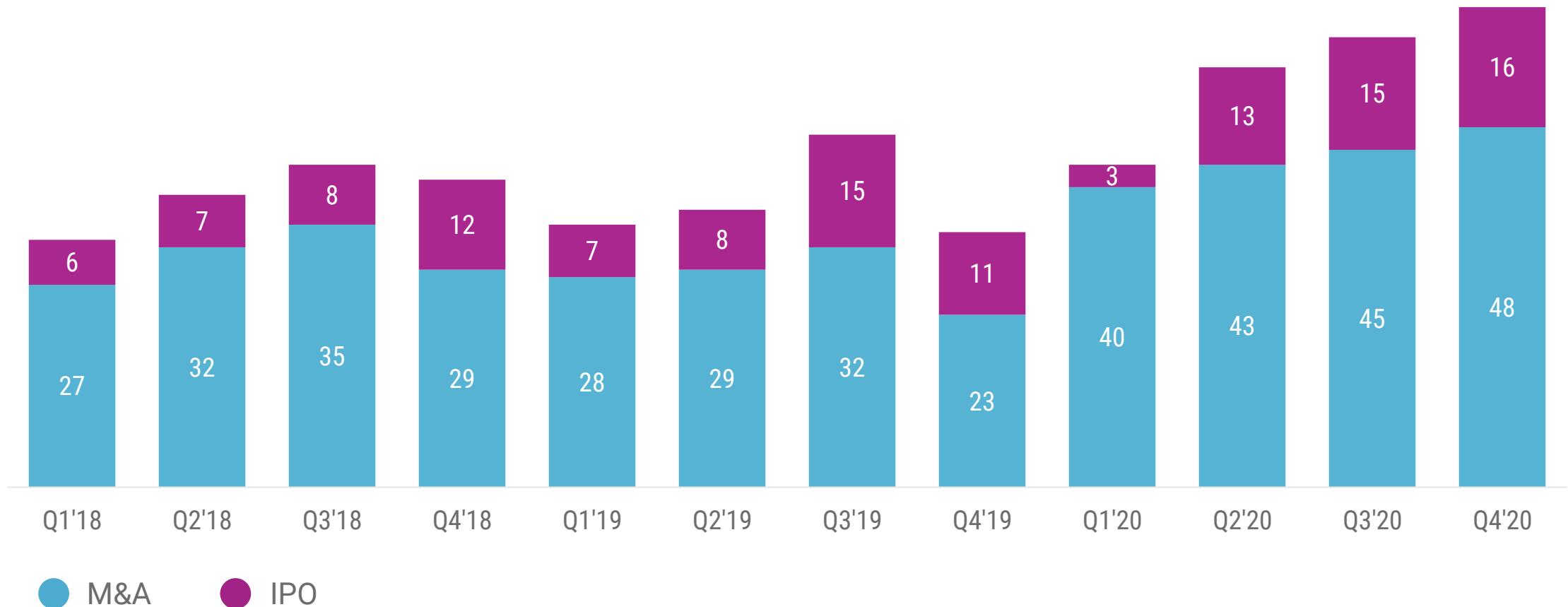
Medical device startups raised nearly \$6B in Q4'20

Quarterly global medical device funding and deal count, Q1'18 – Q4'20



Exit activity reached its highest point in 3+ years

Number of medical device exits by transaction type, Q1'18 – Q4'20



Digital therapeutics gained FDA approvals

IRRITABLE BOWEL SYNDROME (IBS)



Personalized Feedback

As Parallel tracks your symptoms, it provides guidance based on the unique biological, environmental, and psychological aspects of your IBS.



Skills Training

You'll develop new skills, build new habits, and get access to a toolkit of resources to help you live better with your IBS symptoms.



Complementary Treatment

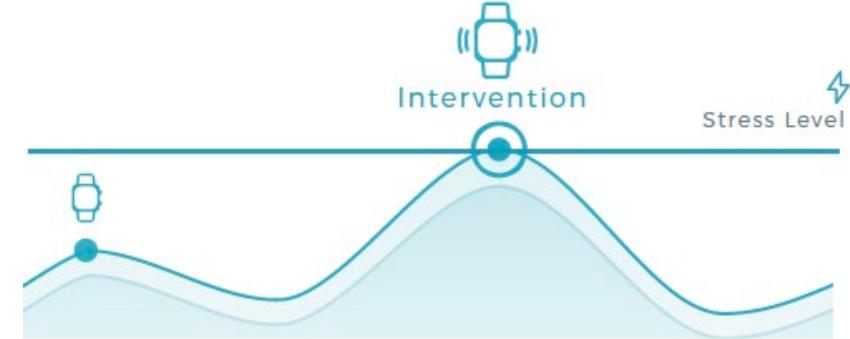
Parallel won't replace your current treatment; it is intended to work in combination with any IBS medication your doctor may have prescribed.

Latest round: Series A (4/21/2020)

Amount: N/A

About: Mahana Therapeutics' "Parallel" is an FDA-approved, prescription-only digital therapeutic for IBS. The 3-month digital program teaches adults cognitive-behavioral therapy skills to help improve gut-brain communication and reduce the severity of IBS symptoms.

NIGHTMARE DISORDER



Latest round: Series A (5/2/2019)

Amount: \$0.3M

About: NightWare is an FDA-approved, prescription-only digital therapeutic application (via Apple Watch) that helps people with traumatic nightmares get better sleep. It uses machine learning to detect, track, and rouse patients from their nightmares without awakening them. The data can also be viewed remotely by care providers.

Medical 3D printing startups raised early-stage funds

PATIENT-SPECIFIC SPINAL IMPLANTS



Latest round: Series A (12/16/2020)

Amount: \$10M

About: Carlsmed uses predictive analytics to create patient-specific surgical plans and 3D-printed spine implants. The company's devices are intended to help improve outcomes, shorten operating times, and reduce reoperation rates.

3D “MEDIFACTURING”



Latest round: Series A (12/8/2020)

Amount: \$16M

About: PrinterPrezz develops medical devices for the orthopedic industry using 3D printing and nanotechnologies.

3D-PAINTED BIOACTIVE IMPLANTS



Latest round: Seed VC (11/11/2020)

Amount: \$3.2M

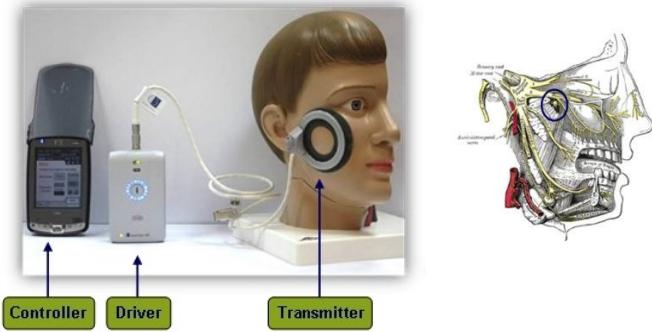
About: Dimension Inx is developing 3D-printed, bioactive implants that the company aims to help address the shortage of donor tissues and organs.

Bioelectronic medicine startups received 'Breakthrough Device' designations from the FDA

Company	Total disclosed funding (\$M)	Latest equity round	Select investors	Breakthrough device description
 CALA HEALTH	\$80M	\$50M Series C (5/21/2019)	Google Ventures, Novartis / Novartis Venture Funds, Johnson & Johnson / J&J Innovation, Action Potential Venture Capital (GSK)	Cala Health's Trio is a wearable, targeted neurostimulation device that is FDA-cleared to treat essential tremors and is now being investigated as a potential "Breakthrough" treatment for hand action tremors associated with Parkinson's disease.
 SETPOINT MEDICAL	\$147.1M	\$52.4M Series E (11/12/2020)	New Enterprise Associates, Boston Scientific, Medtronic, Action Potential Venture Capital (GSK), Lightstone Ventures	SetPoint's MicroRegulator is a small, wirelessly-powered implant that emits targeted electrical pulses to control inflammation. It is being investigated as a potential "Breakthrough" treatment for rheumatoid arthritis, particularly in patients who are intolerant/unresponsive to biologics.
 SALVIA BIOELECTRONICS	\$33.9M	\$30.5M Series A (9/22/2020)	Dolby Family Ventures, INKEF Capital, Thuja Capital Management, SHS Gesellschaft fur Beteiligungsmanagement	Salvia's implantable neurostimulation system is being investigated as a potential "Breakthrough" treatment for chronic migraine. It leverages thin, flexible bioelectronic foils that adapt to the anatomy of the head.
 NEUROEM THERAPEUTICS, INC.	N/A	N/A	N/A	NeuroEM's Memorem is a wearable device being investigated as a potential "Breakthrough" treatment for Alzheimer's disease. Using transcranial electromagnetic treatment (TEMPT) technology, Memorem breaks down amyloid beta and Tau aggregates in the brain.
 SPARK BIOMEDICAL	N/A	N/A	N/A	Spark's Roo System is a non-invasive neurostimulation device being investigated as a potential "Breakthrough" treatment for the symptoms associated with Neonatal Opioid Withdrawal Syndrome (NOWS).

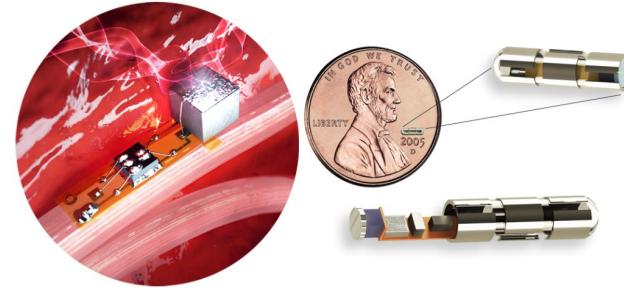
Life science incumbents made strategic moves in bioelectronic medicine

MEDTRONIC INVESTED IN BRAINSGATE



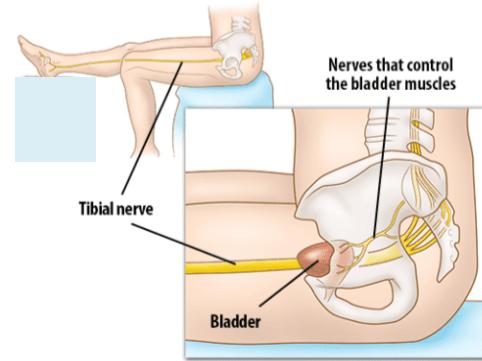
In December, **Medtronic** participated in BrainsGate's \$14M Series F round. The startup's implantable neurostimulation device augments cerebral blood flow to treat ischemic stroke. The device has already received marketing approval in Europe and is awaiting a regulatory decision from the US FDA.

ASTELLAS PHARMA ACQUIRED IOTA BIOSCIENCES



In mid-October, **Astellas Pharma** acquired early-stage startup and strategic partner Iota Biosciences for \$128M (with an additional \$177M in potential milestone payments). Astellas is also committing \$125M to fuel Iota's [aggressive expansion](#) over the next 5 years. The companies are researching how to harness the body's electrical signals to treat conditions like asthma, arthritis, and gastrointestinal diseases.

COOPLAST ACQUIRED NINE CONTINENTS



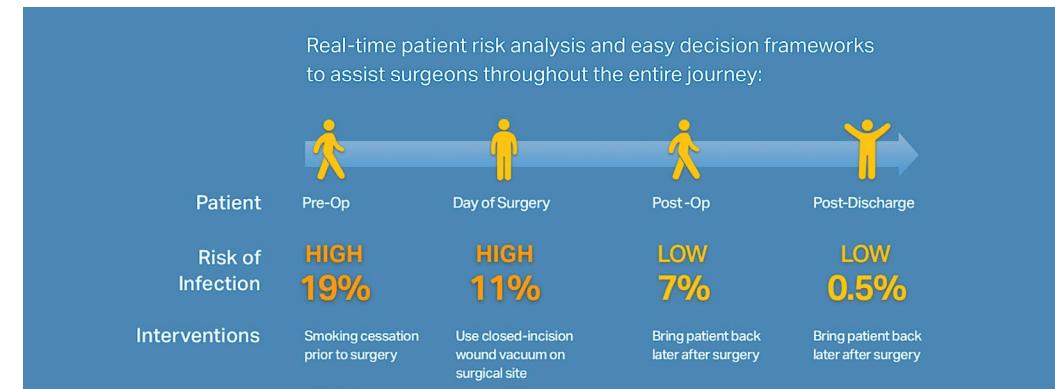
In November, **Coloplast** acquired early-stage startup Nine Continents Medical for \$145M to enhance its growth opportunities in interventional urology. Coloplast is planning 2021 pivotal studies of Nine Continents' implantable tibial nerve stimulator to treat overactive bladder.

Intuitive Surgical launched a \$100M corporate VC fund and completed its first investment

Da Vinci robotics maker launches \$100M VC fund

October 27, 2020 |

Modern Healthcare



Latest round: Series A (10/28/2020) **Amount:** \$10M

About: Using AI and big data, kēlaHealth's clinical decision support solution couples real-time patient risk analysis with clinical decision frameworks to help surgical care teams avoid high-cost complications and improve surgical outcomes.

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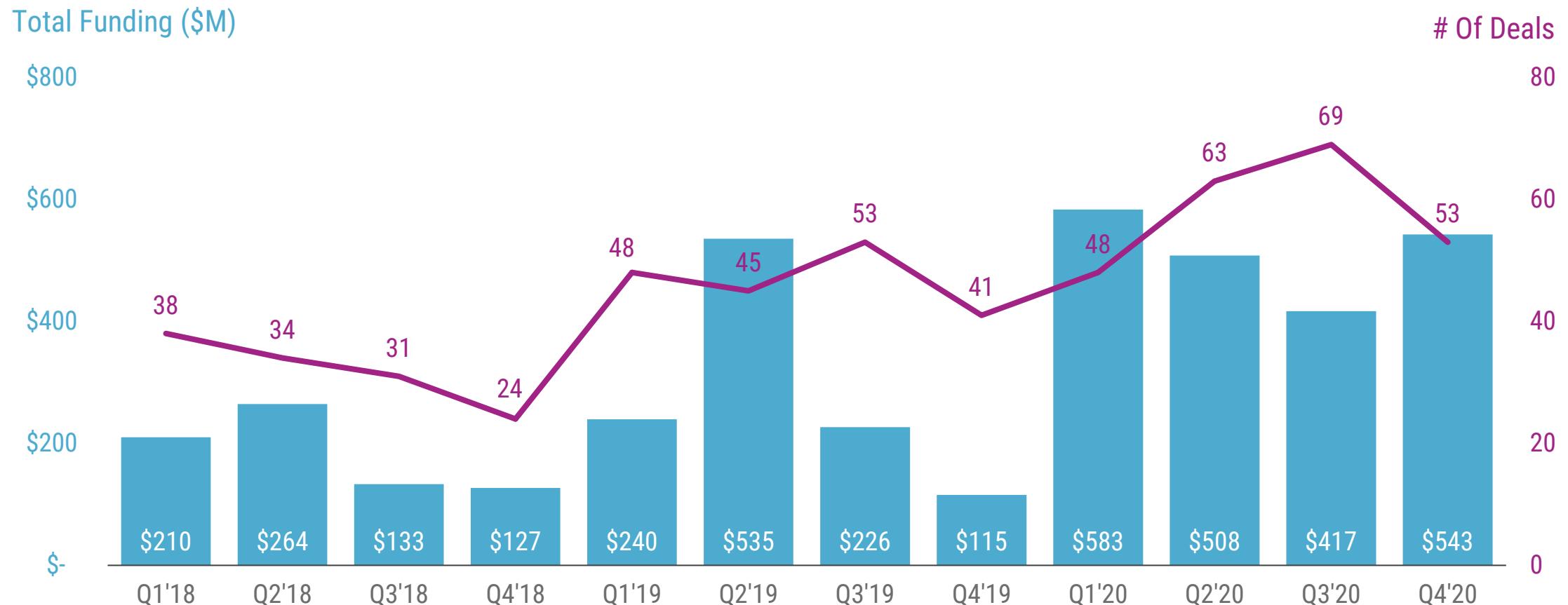
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MENTAL HEALTH

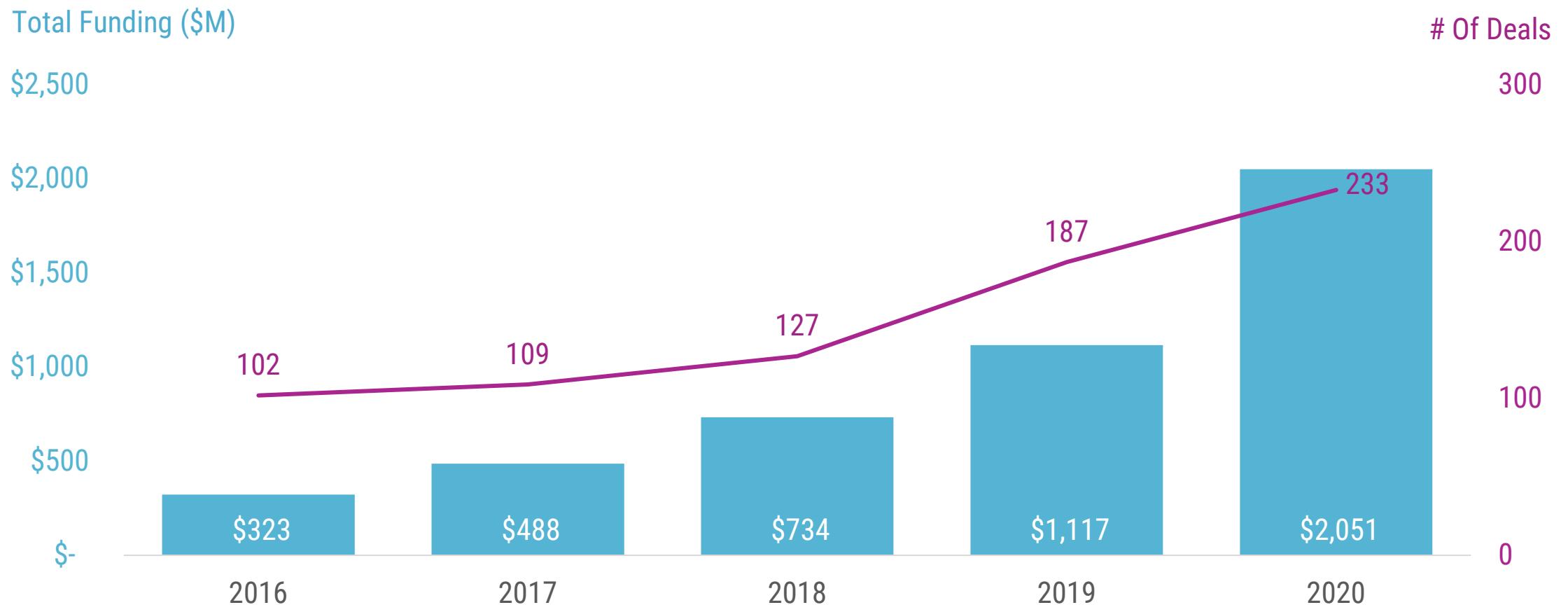
Funding increased by 30% while deals fell QoQ

Quarterly global mental health funding and deal count, Q1'18 – Q4'20



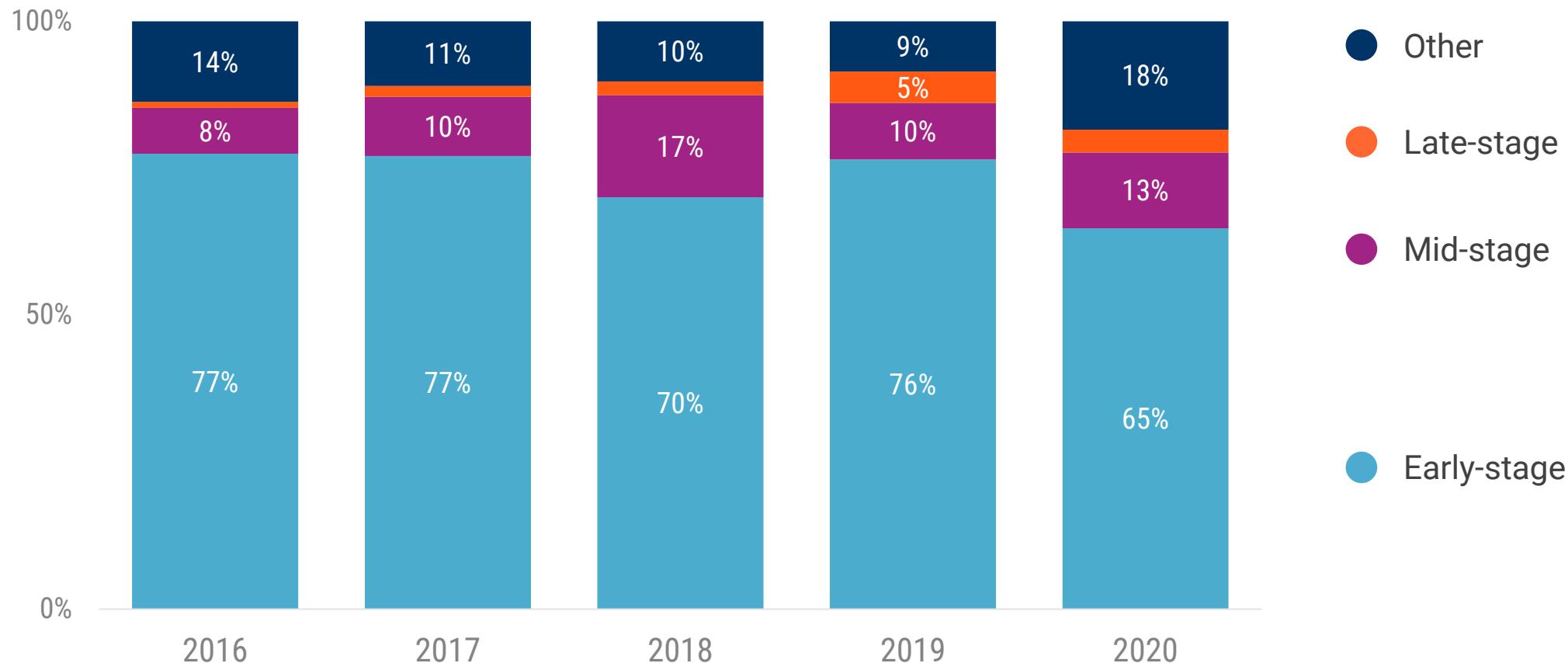
2020 was a breakout year for mental health tech

Annual global mental health funding and deal count, 2016 – 2020



Early-stage deal share fell slightly but still dominated

Annual global mental health deal share by stage, 2016 – 2020



Benefits platforms closed sizeable mid-stage rounds

SPRING HEALTH

Every mental health journey is unique

We meet your employees wherever they are, matching each person to precisely the right care for them.

[Request Demo](#)



Latest round: Series B (11/18/2020)

Amount: \$76M

About: Spring Health is a “precision mental health” benefit for employers that combines a digital platform with a vetted provider network. By using data to match individual employees with mental healthcare services, Spring aims to help improve recovery rates, shorten recovery times, and lower costs.

MODERN HEALTH

 Modern Health For Providers Careers

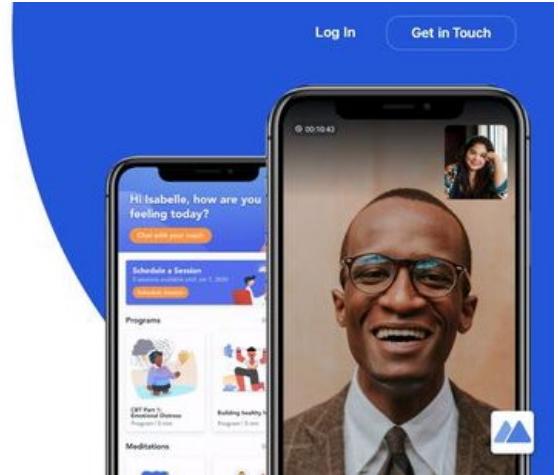
Mental wellness that meets your employees, wherever they are

Face-to-face and virtual support from professional coaches and therapists, plus unlimited evidence-based digital programs, all within a single platform.

Latest round: Series C (12/15/2020)

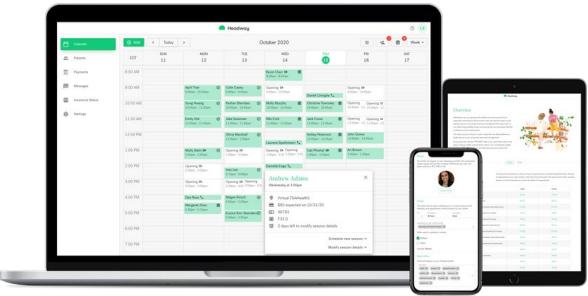
Amount: \$51M

About: Modern Health is a mental health benefits platform for employers. The platform helps people access support for issues like managing stress or treating depression.



Mental health provider tools raised early rounds

HEADWAY



Latest Round: Series A (11/18/20)

Amount: \$26M

About: Headway offers a marketplace to find therapists. For providers, it helps manage admin tasks like reimbursements.

AIFRED HEALTH

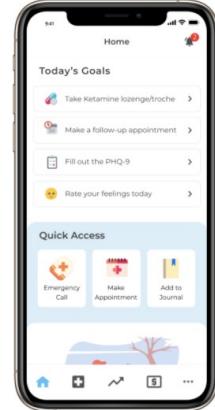


Latest Round: Seed VC (12/8/20)

Amount: \$3.1M

About: Canada-based Aifred Health develops an AI-enabled clinical decision support tool for mental health providers.

OSMIND



Latest Round: Seed VC – II (10/14/20)

Amount: \$2M

About: Osmind provides practice management and monitoring software for mental health professionals.

Mental health partnerships continued across the industry

Lyra Health & Calm Partner to Combat Stress, Burnout, and Support Resilience-Building in the Workplace

October 20, 2020 |



CommonSpirit to link physical, behavioral health with Concert Health deal

October 15, 2020 | CommonSpirit   **concert health™**
EMPOWERING INDEPENDENT PHYSICIANS

Aetna, Inpathy expand virtual mental health partnership

November 2, 2020 |



Henry Ford Health partners with Acadia Healthcare to build new mental health hospital

December 9, 2020 |



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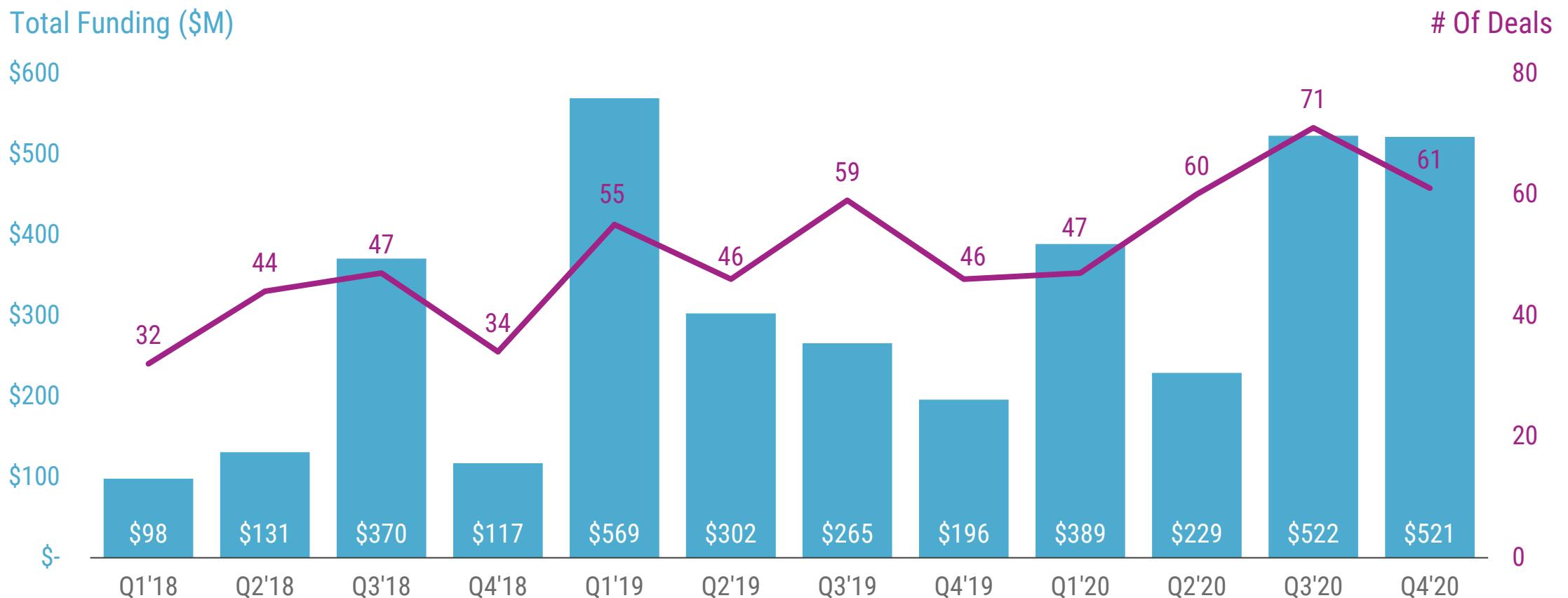


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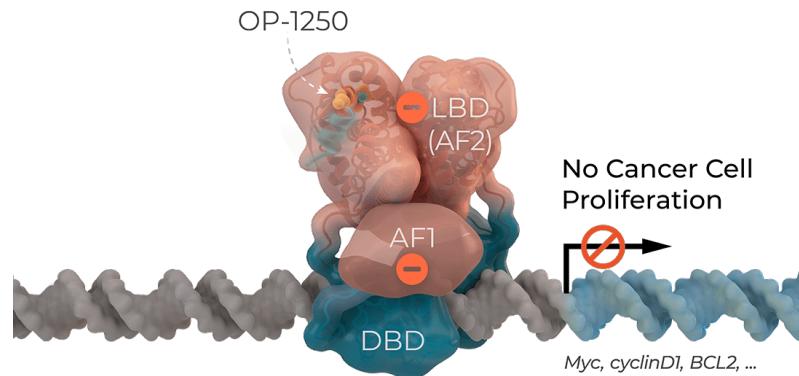
Funding to women's health dipped slightly in Q4'20

Quarterly global women's health funding and deal count, Q1'18 – Q4'20



Mid-stage biopharma deals gained key investor interest

CANCERS

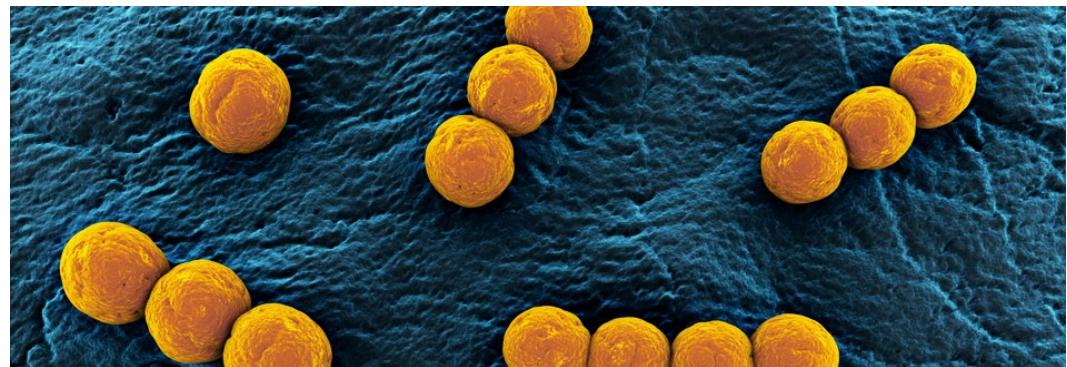


Latest Round: Series C (10/1/20) **Amount:** \$85M

About: Olema Pharmaceuticals develops therapies for women's cancers including breast cancer and endometrial cancer.

4 of our Healthcare Smart Money investors – Venrock, Deerfield Management, Foresite Capital, OrbiMed Advisors – participated in the round. Olema went public on 11/18/20.

INFANT MORTALITY



MINERVAX

Latest Round: Series B (12/15/20) **Amount:** \$57.5M

About: Denmark-based MinervaX is developing a vaccine for preventing Grupo B Streptococcus (GBS) infections in newborns.

Corporate biopharma players Novo Holdings and Sanofi participated in this round.

Virtual maternity health solutions are on the rise

REMOTE MONITORING



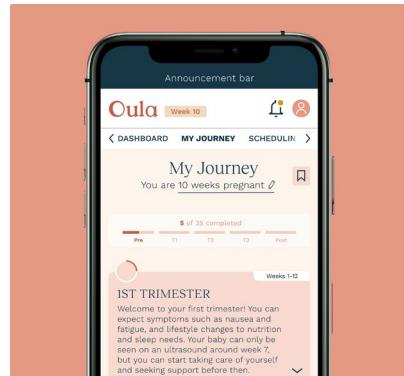
Latest Round: Series B (12/8/2020)

Amount: \$4M

About: Babyscripts offers a digital platform for education and health monitoring during pregnancy.

INTEGRATED CARE

Oula



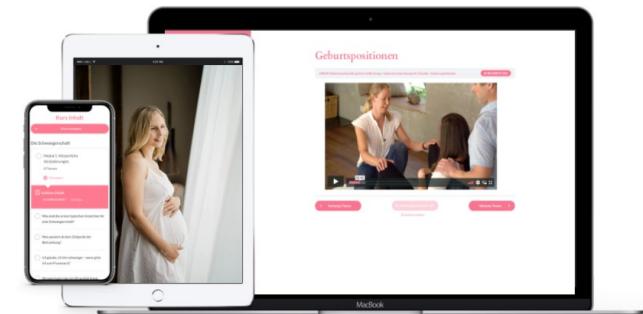
Latest Round: Seed VC (10/20/2020)

Amount: \$3.2M

About: Oula provides maternity care services through in-person and virtual visits. It also offers virtual coaching with midwives.

EDUCATION

ViMUM



Latest Round: Private Equity (10/27/2020)

Amount: Undisclosed

About: Germany-based ViMum offers birth preparation courses along with live consultations with midwives and OB/GYNs.

Feminine hygiene startups go beyond traditional period care

Company	Deal date // Amount raised (\$M)	Total disclosed funding (\$M)	Select investors	Description
LOLA	Nov'20 // \$8.64M	\$43.84M	Spark Capital	Lola offers a range of products in period care, sexual wellness, hygiene, and PMS wellness.
Rael	Dec'20 // \$4.4M	\$24.68M	N/A	Rael develops a suite of wellness products for women in period care, hygiene, skin care, and incontinence.
• DANS MA • Culotte •	Nov'20 // \$4.16M	\$4.69M	Impact Partenaires, Thierry Vandewalle, Xavier Gury	France-based Dans Ma Culotte offers feminine care products including washable sanitary napkins, menstrual cups, and wellness products.
Kasha	Nov'20 // \$5.27M	\$7.61M	VestedWorld	Rwanda-based Kasha sells and delivers women's health products in a confidential and affordable manner in Rwanda and Kenya.
Attn : Grace	Dec'20 // \$900K	\$1.9M	Social Starts, AARP Innovation Fund, Precursor Ventures, Tusk Ventures	Attn:Grace develops a line of products to help women tackle bladder weakness, such as liners, pads, and briefs. In December 2020, it announced its strategic collaboration with AARP Innovation Labs.

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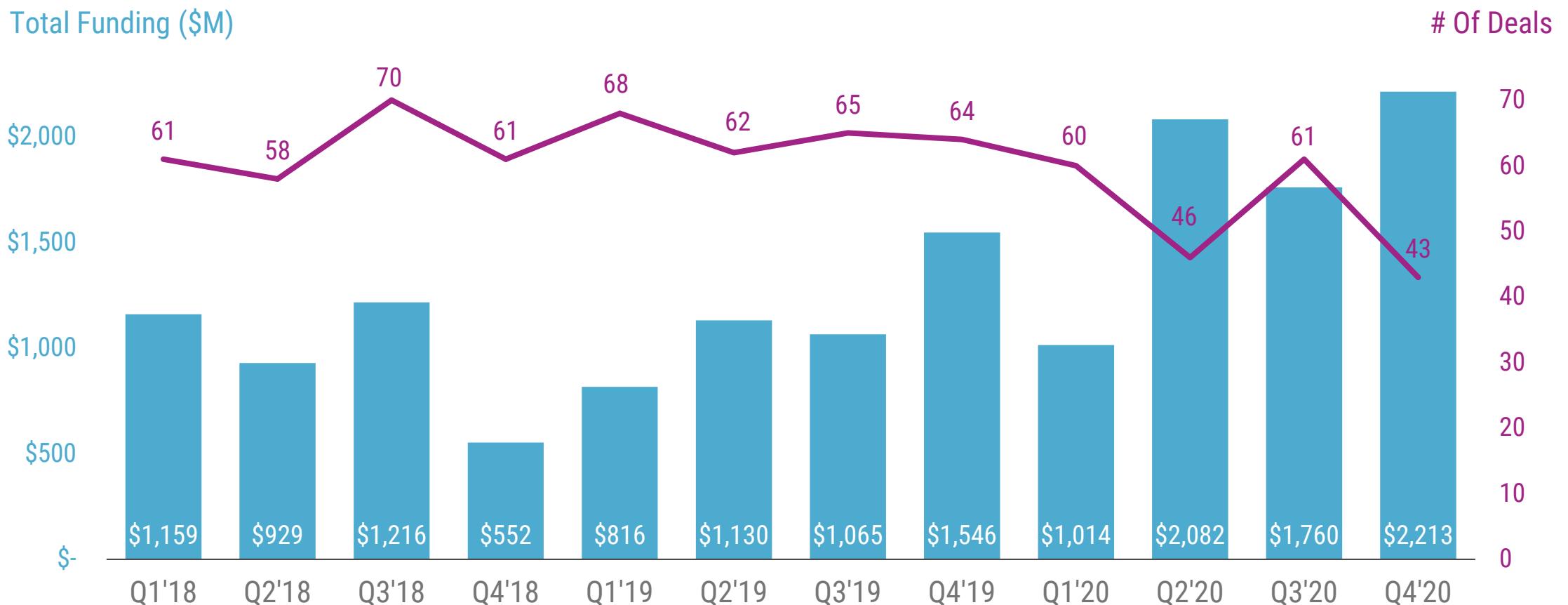


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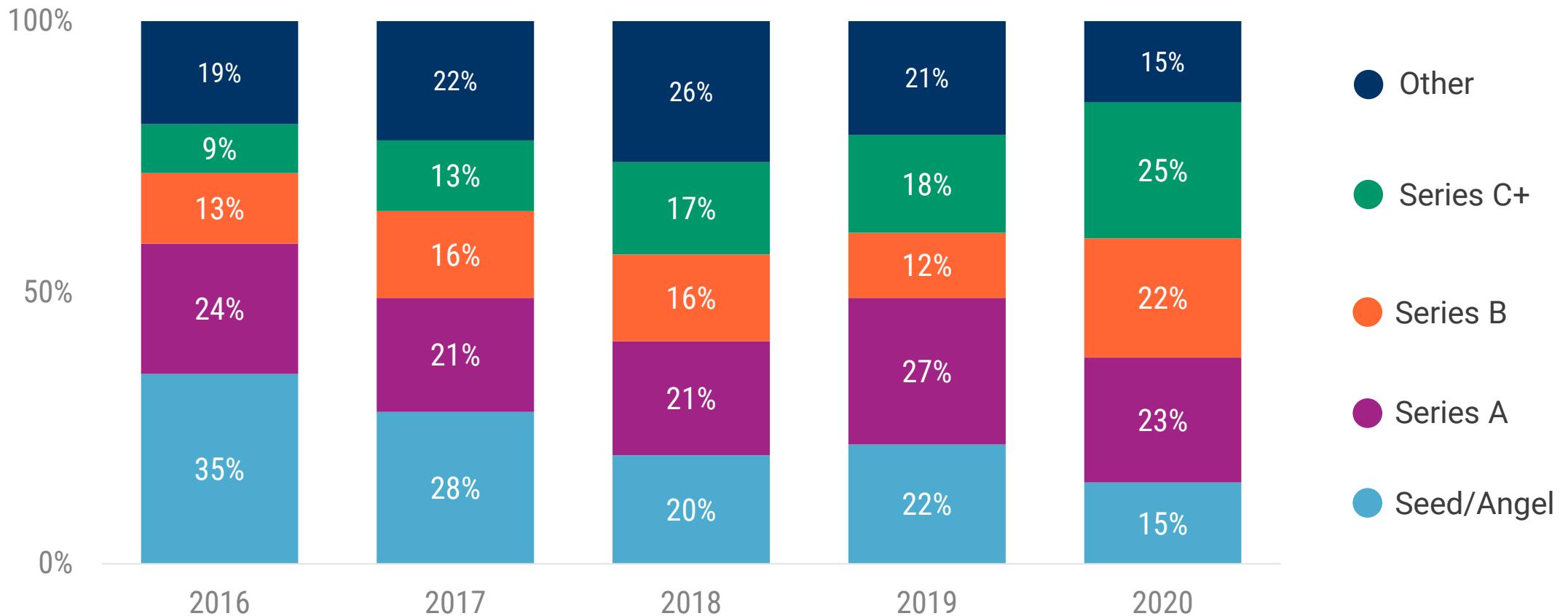
Omics funding hit a record high in Q4'20

Quarterly global omics funding and deal count, Q1'18 – Q4'20



Decline in early-stage deals signals a maturing space

Deal share by stage for omics startups, 2016 – 2020



Mega-rounds for precision medicine in Q4'20

Company	Deal date // Amount raised (\$M)	Total disclosed funding (\$M)	Select investors	Description
 CARIS LIFE SCIENCES	Oct'20 // \$310M	\$484.5M	OrbiMed Advisors, T. Rowe Price, Sixth Street Partners, Coatue Management, Neuberger Berman,	Caris offers DNA, RNA, and proteins analysis services to support treatment decisions.
 TEMPUS	Dec'20 // \$200M	\$1,070M	T. Rowe Price, Novo Holdings, Franklin Templeton, Google, and Baillie Gifford & Co.	Tempus is a molecular and clinical data platform that leverages machine learning to help physicians deliver personalized cancer care.
 SINGLERA Genomics	Dec'20 // \$153M	\$233M	DT Capital Partners, Green Pine Capital Partners, Prosperico Venture, WuXi Capital, Proxima Ventures, Linden Asset	Singlera provides non-invasive genetic services for prenatal testing, tumor diagnosis, and personalized treatment.
 Genecast 臻和	Oct'20 // \$149M	\$242.7M	China Renaissance, Hillhouse Capital Management, Matrix Partners China, China Structural Reform Fund	Genecast develops DNA-based cancer diagnostics testing of tumors and gene-based medicine guidance for lung, colon, liver, and breast cancers.
 SOPHiA™	Oct'20 // \$110M	\$250.8M	Generation Investment Management, Pictet Group, Endeavour Vision, Swisscom Ventures, Eurazeo	Sophia is a platform to analyze and detect genomic variants to help clinicians better diagnose and treat their patients.

Acquisitions continued for multiple omics use cases

DRUG DISCOVERY



Acquired by: PerkinElmer

Valuation: \$383M

About: Horizon Discovery is a genomics company developing and supplying drug discovery tools.

DIAGNOSTICS



Acquired by: Exact Sciences

Valuation: \$2.15B

About: Thrive Earlier Detection is developing a liquid biopsy test, designed to be administered annually, to help detect cancer early.

SEQUENCING



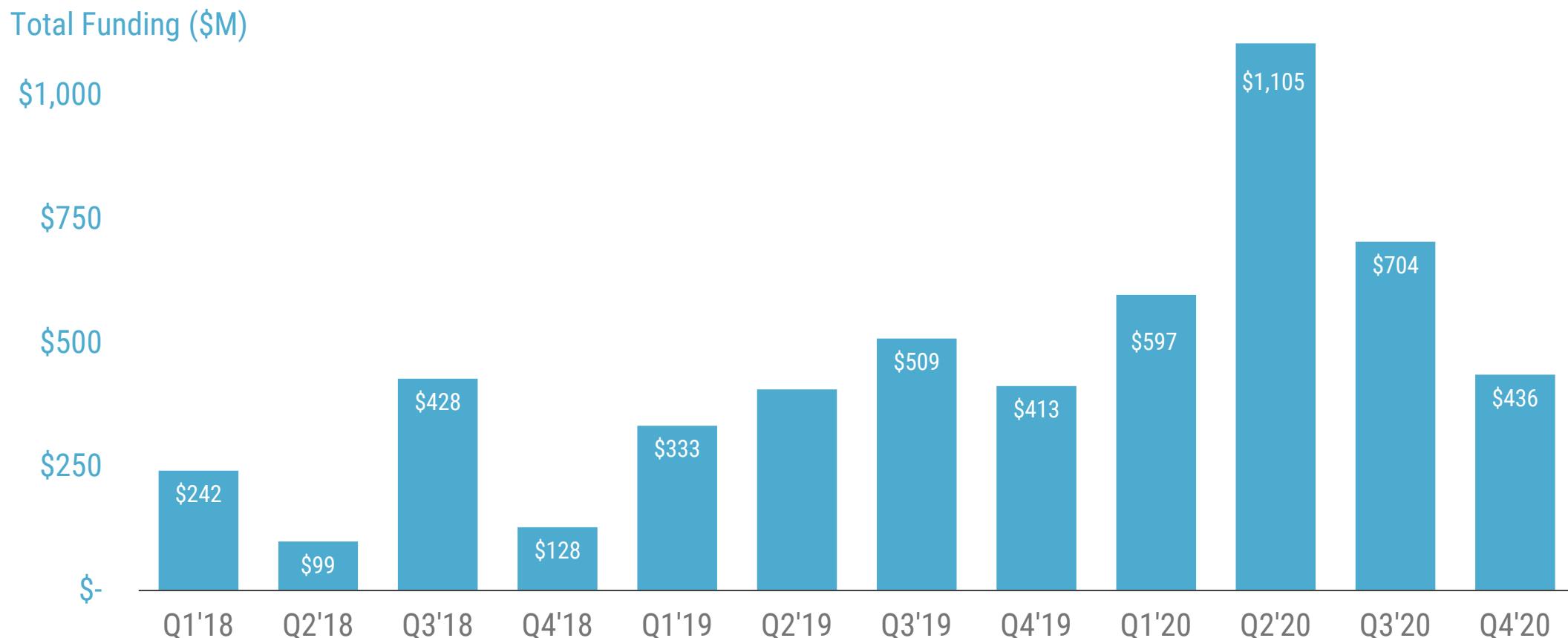
Acquired by: 10X Genomics

Valuation: \$350M

About: ReadCoor provides a sequencing platform for researchers, clinicians, pharma, and diagnostics companies.

Liquid biopsy funding drops after pandemic-related spike

Quarterly global liquid biopsy funding, Q1'18 – Q4'20



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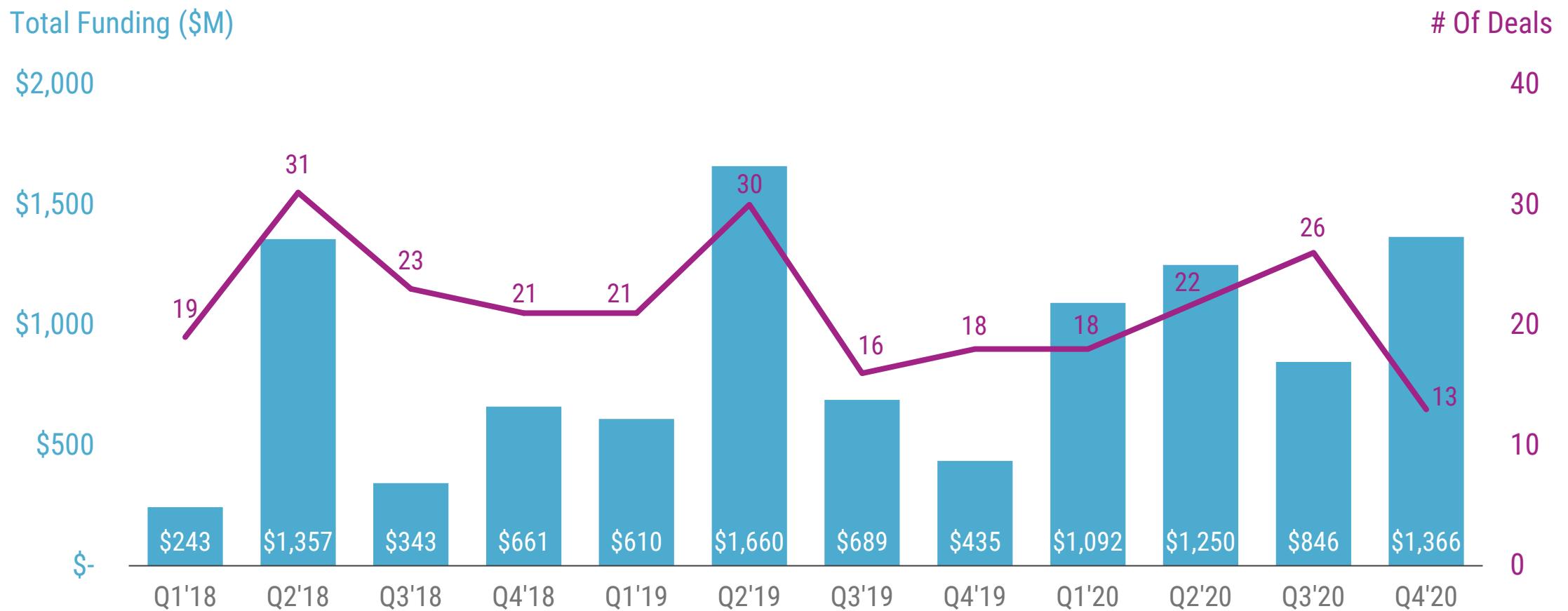


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Funding spike in Q4'20 capped off a record year

Quarterly global healthcare cybersecurity funding and deal count, Q1'18 – Q4'20



Cybersecurity in healthcare made headlines in Q4'20

Media mentions of healthcare cybersecurity, 2015 – 2020 (11/30/2020)

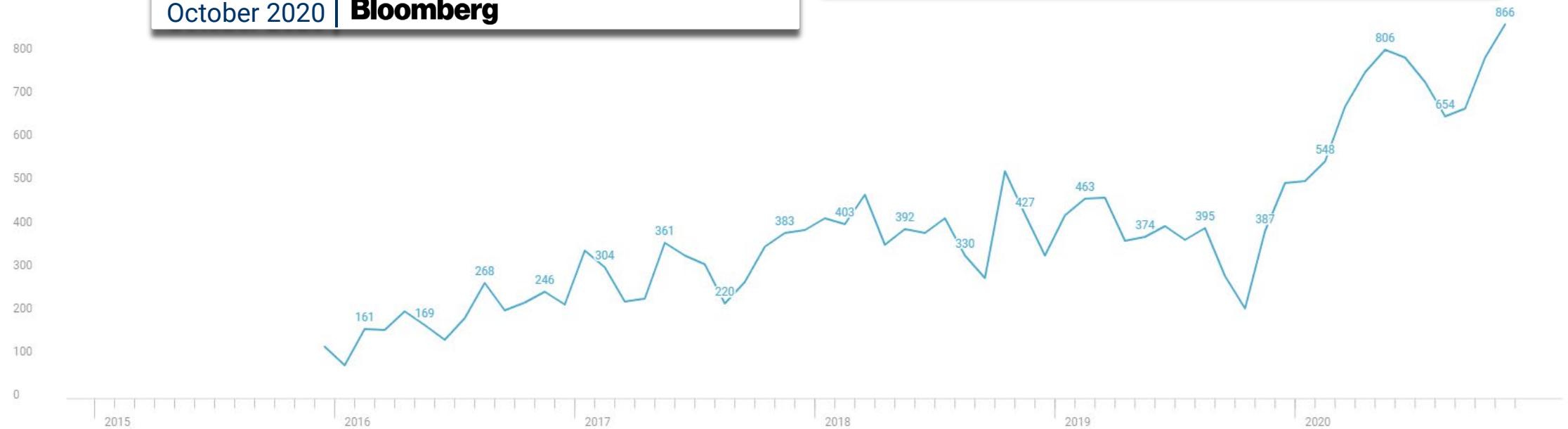
Articles

FBI, DHS Warn Hospitals of 'Credible Threat' from Hackers

October 2020 | **Bloomberg**

Patients of a Vermont Hospital Are Left 'in the Dark' After a Cyberattack

November 2020 | **The New York Times**



Endpoint security and privacy drove mega-rounds

PRIVACY

OneTrust



Latest Round: Series C (12/21/2020)

Amount: \$300M

About: OneTrust provides tools for protecting personal data and complying with regulations.

ENDPOINT SECURITY

SentinelOne



Latest Round: Series F (11/11/2020)

Amount: \$267M

About: SentinelOne monitors cloud environments and connected devices for threats.

ENDPOINT SECURITY

Tanium



Latest Round: Series I (10/5/2020)

Amount: \$151M

About: Tanium protects devices from threats by monitoring activity and patching vulnerabilities.

Strong demand for data protection in Q4'20

FAIRWARNING

15+ years protecting privacy & monitoring user activity

35%+ U.S. health systems secured

150+ applications supported (and 250+ custom applications)

2+ billion events captured per day

PATIENT PRIVACY INTELLIGENCE

Protect patient data stored in electronic health records, clinical and other mission-critical healthcare applications.

Exit Round: Acquisition (12/2/2020) **Amount:** Undisclosed

Acquirer: Imprivata

About: FairWarning helps healthcare companies protect patient data and boost compliance by offering tools to monitor its access and use.

NETWRIX

Agentless Data Security Platform

Enterprise security can no longer rely on point IT security solutions. Organizations are focusing on their most critical assets — customer and enterprise data. Netwrix helps you implement a data-centric approach to security. It identifies sensitive content in unstructured and structured, on-premises or cloud data, and enables you to reduce risks and detect suspicious user behavior in time to stop a breach.



Exit Round: Acquisition (10/1/2020) **Amount:** Undisclosed

Acquirer: TA Associates

About: Netwrix manages access to sensitive data to prevent exposure and malicious use.

Appendix





GET ALL THE DATA USED IN THIS REPORT

AI IN HEALTHCARE
COLLECTION

TELEHEALTH COLLECTION

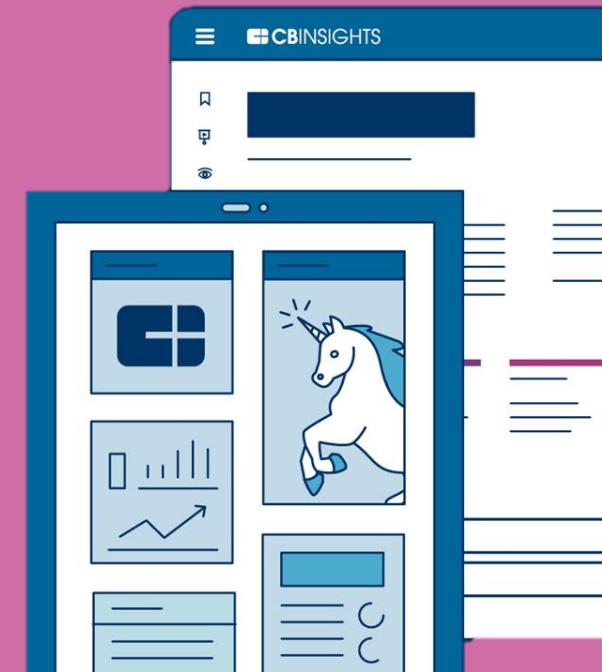
MEDICAL DEVICE COLLECTION

MENTAL HEALTH & WELLNESS
COLLECTION

WOMEN'S HEALTH & WELLNESS
COLLECTION

OMICS COLLECTION

HEALTHCARE CYBERSECURITY
COLLECTION



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 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 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 29.
- 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.