



HealthTech Decoded

1H20

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Executive Summary

- ◆ 2020 might be remembered by some as the year of the pandemic, but its association with ‘Healthcare’ and ‘Digital’ has been revered just as much. Healthcare technology (or HealthTech) companies primarily include startups harnessing digital solutions to solve real-world problems in the healthcare space. It is a niche segment in the vast healthcare space that covers a wide range of sectors from pharmaceutical companies involved in drug discovery to robotics companies, as well as connected care participants. The primary objective of these HealthTech startups is to help improve certain processes and augment healthcare providers’ abilities to offer the best care to patients. In this report, we highlight the funding sentiments in HealthTech, a flourishing segment of the healthcare industry.
- ◆ The relevance of HealthTech has soared further post the COVID-19 outbreak. Frontline workers and patients are depending on startups in this segment to provide reliable and safe treatment remotely. Therefore, VC funding was positive in this sector during 1H20 despite the slowdown in global funding across sectors, with 22% and 40% growth in deal value in 1Q20 and 2Q20, respectively.
- ◆ Historical funding trends reveal that VCs have been enthusiastic about investing in promising startups that either solve imminent problems or work toward making medical discoveries that could be disruptive for the industry. Telehealth solutions continue to bloom, as the pandemic forced all activities to be conducted online owing to patients refraining from in-person consultations. A prime example is Amwell, who raised \$194M through VC funding in May 2020 to expand its business of providing remote consultations during the pandemic. Similarly, Elon Musk’s neurotechnology startup raised \$51M in 2019 at a \$0.5B valuation.
- ◆ Although the funding landscape may likely face uncertainty in 2020, overall, the future of HealthTech funding looks positive.

Welcome to the first edition of Aranca’s “HealthTech Decoded” report, a bi-annual publication in which we highlight major VC funding trends in 1H20 within the HealthTech universe across key markets and sectors.

In this report, we feature some trends based on deal activities in the last three years and the outlook for various HealthTech verticals.

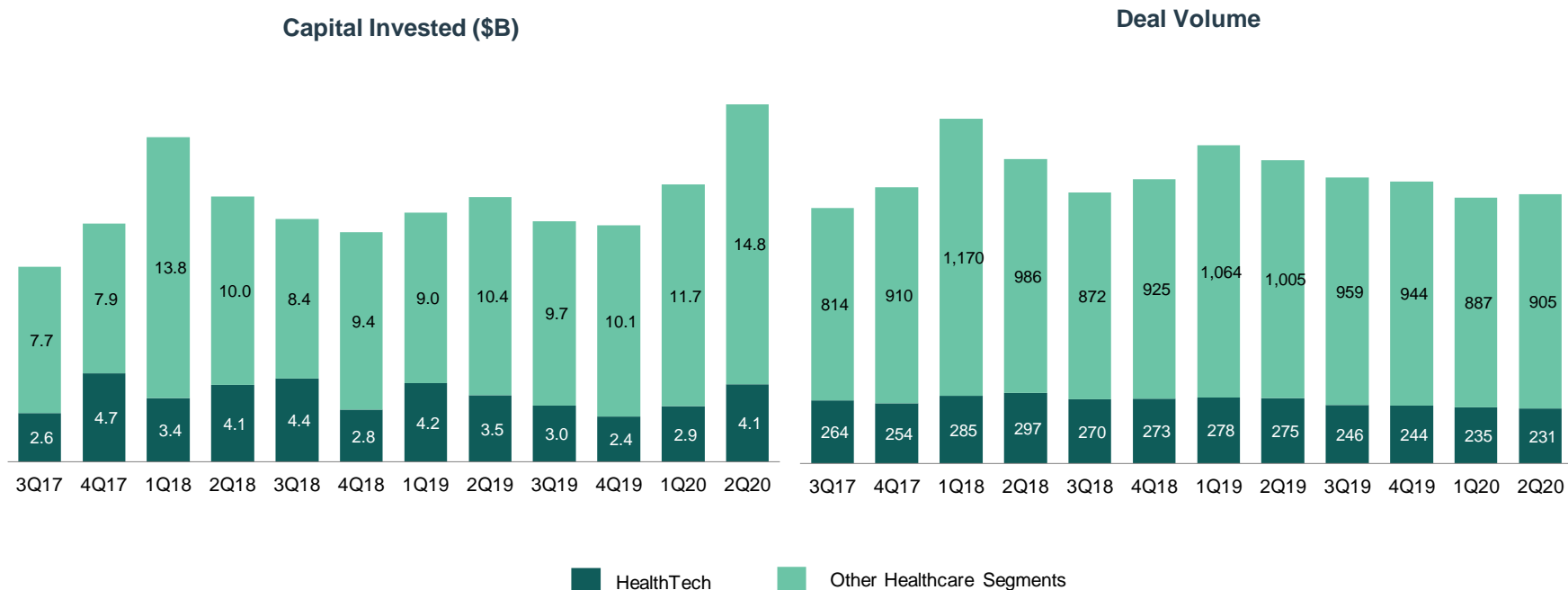
We hope this edition is an interesting and insightful read.

HealthTech remains one of the key growth areas of the Healthcare sector

VC funding in Healthcare and HealthTech companies

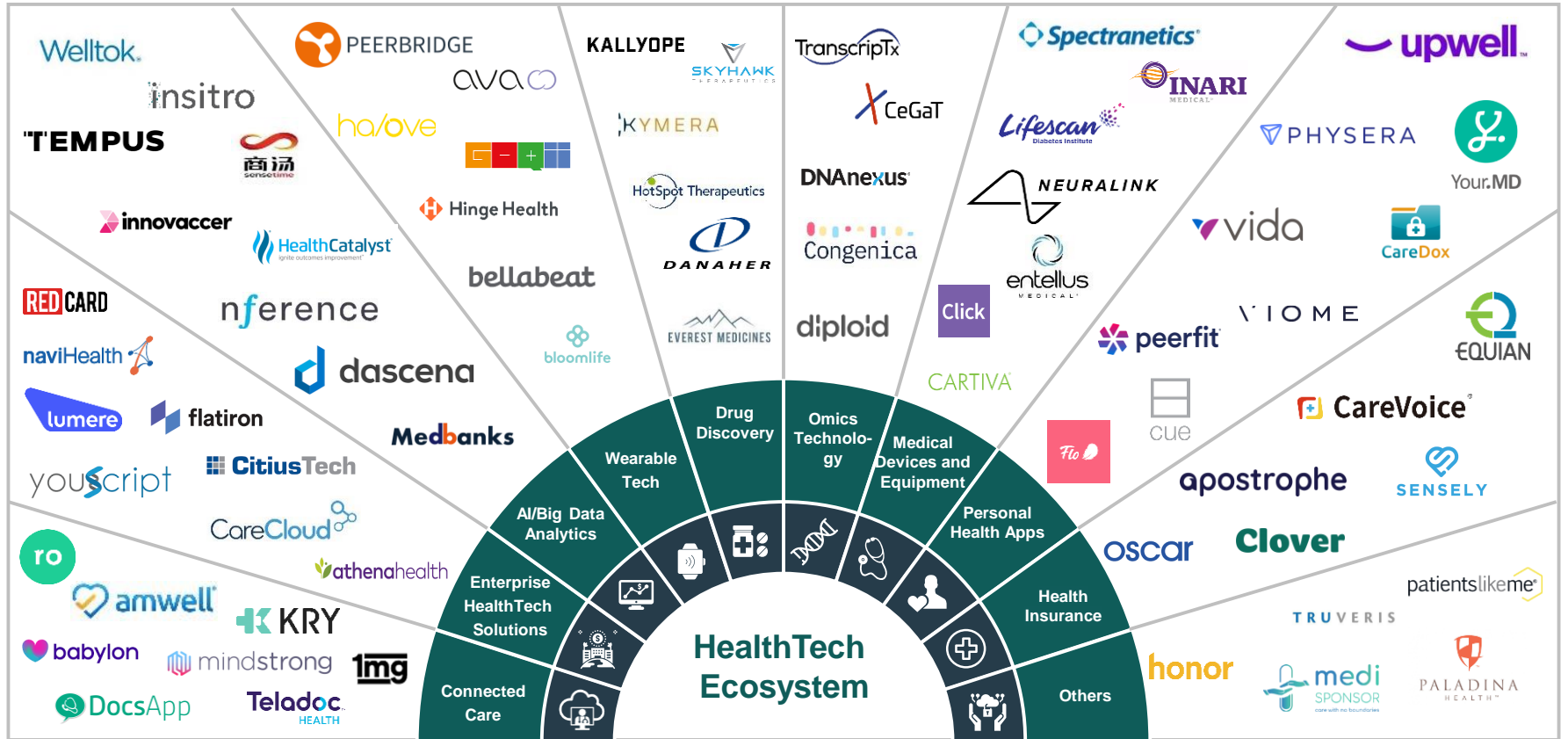
July 01, 2017 – June 30, 2020

Currency in \$, unless otherwise specified



Note: Other Healthcare Segments include pharmaceutical, biotechnology, life sciences, clinics and hospitals and other healthcare companies; **Data Source:** Pitch Book, unless specified otherwise
Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

The HealthTech Ecosystem



In 1H20, VC, PE and
M&A investments in
HealthTech companies
globally clocked

\$9.2B

across

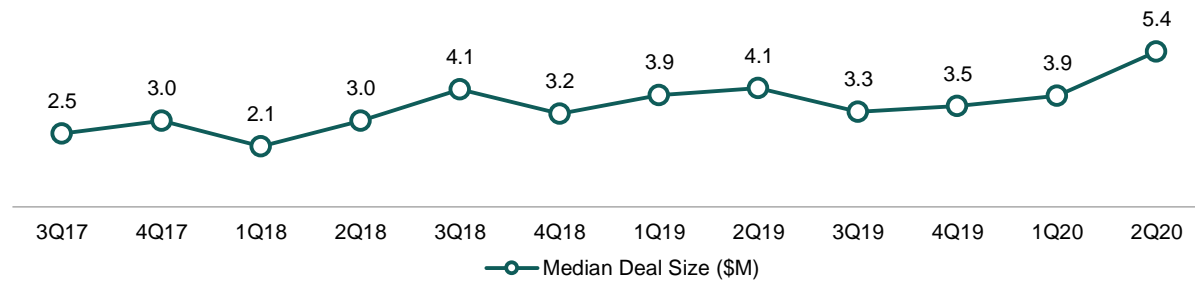
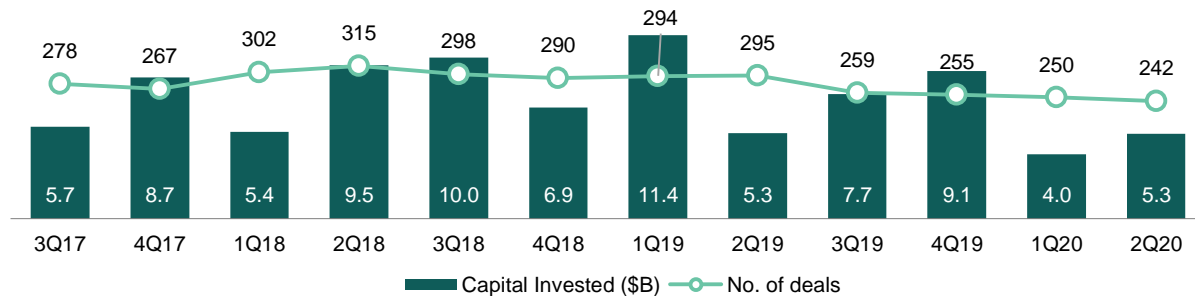
492 deals

Global HealthTech funding slows down in 1H20 after two record-setting years; median deal size rises

Global VC, PE, M&A deal landscape in HealthTech companies

July 01, 2017 – June 30, 2020

Currency in \$, unless otherwise specified



After two record-setting years, global VC, PE, and M&A funding in HealthTech companies slowed down relatively in 1H20 due to the COVID-19 pandemic. However, deal value surged 33% in 2Q20 compared with 1Q20, indicating that the slowdown in funding may have been temporary.

Consequently, the number of mega deals (>\$100M) rose in 2Q20 to 11, the highest in five quarters. Despite the quarterly decline in deal volume, median deal size has been increasing. The increase in overall investment is indicative of the sector's maturity as well as investors' risk tolerance to finance proven business models with their expansion mandates. In addition, the recent pandemic has exposed the lack of adequate healthcare infrastructure, which will further attract capital for innovative HealthTech solutions.

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

In 1H20, VC funding in
HealthTech companies
globally clocked

\$7.0B

across

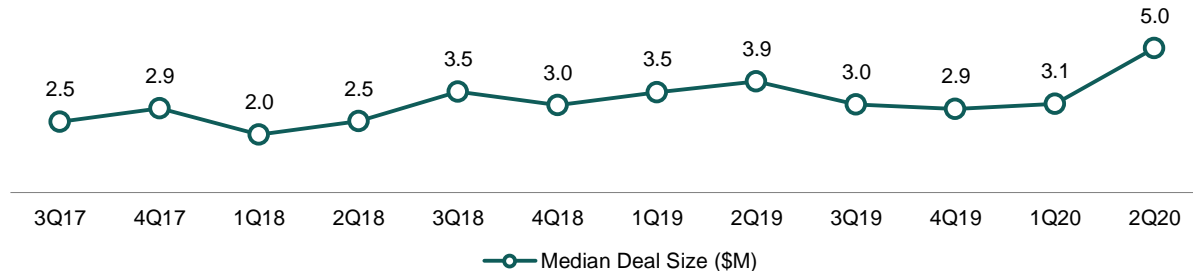
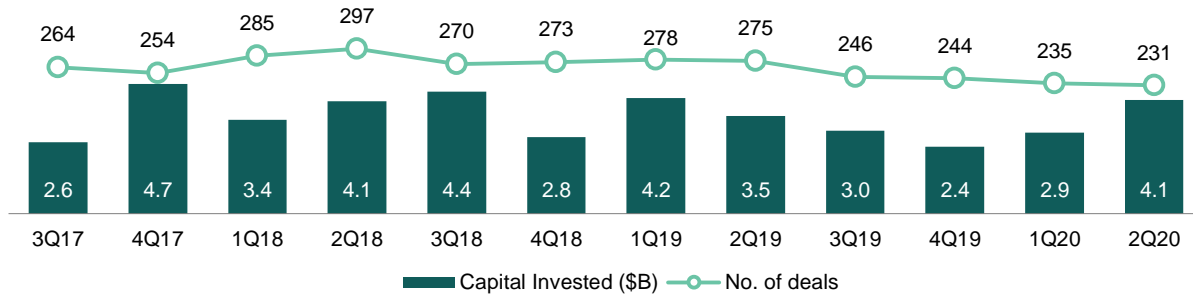
466 deals

2Q20: Highest VC funding in five quarters; substantial increase in median deal size

Global VC deal landscape in HealthTech companies

July 01, 2017 – June 30, 2020

Currency in \$, unless otherwise specified



VC funding picked up in 1H20, with 22% and 40% QoQ increase in deal value in 1Q20 and 2Q20, respectively, lifting the median deal size to a record high. Eight VC mega deals (>\$100M) were recorded in 2Q20, the highest in 12 quarters. Considering the shifts in demand in the post-COVID-19 world, VC investors are likely to be bullish about investing in promising HealthTech startups that make healthcare more accessible and efficient using technology in verticals such as telehealth, AI-powered drug discovery, and patient management.

Data Source: Pitch Book, unless specified otherwise

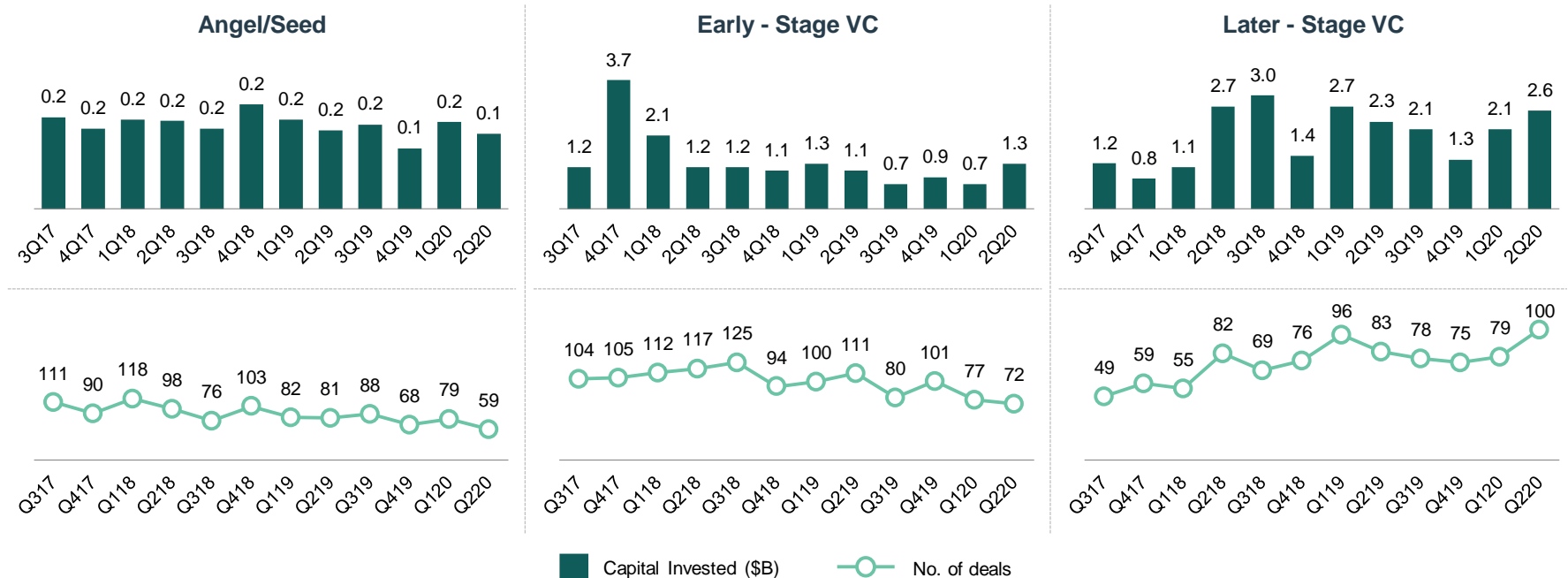
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Early-stage, late-stage funding rises in 2Q20

Global VC funding in HealthTech companies, by Stage

July 01, 2017 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

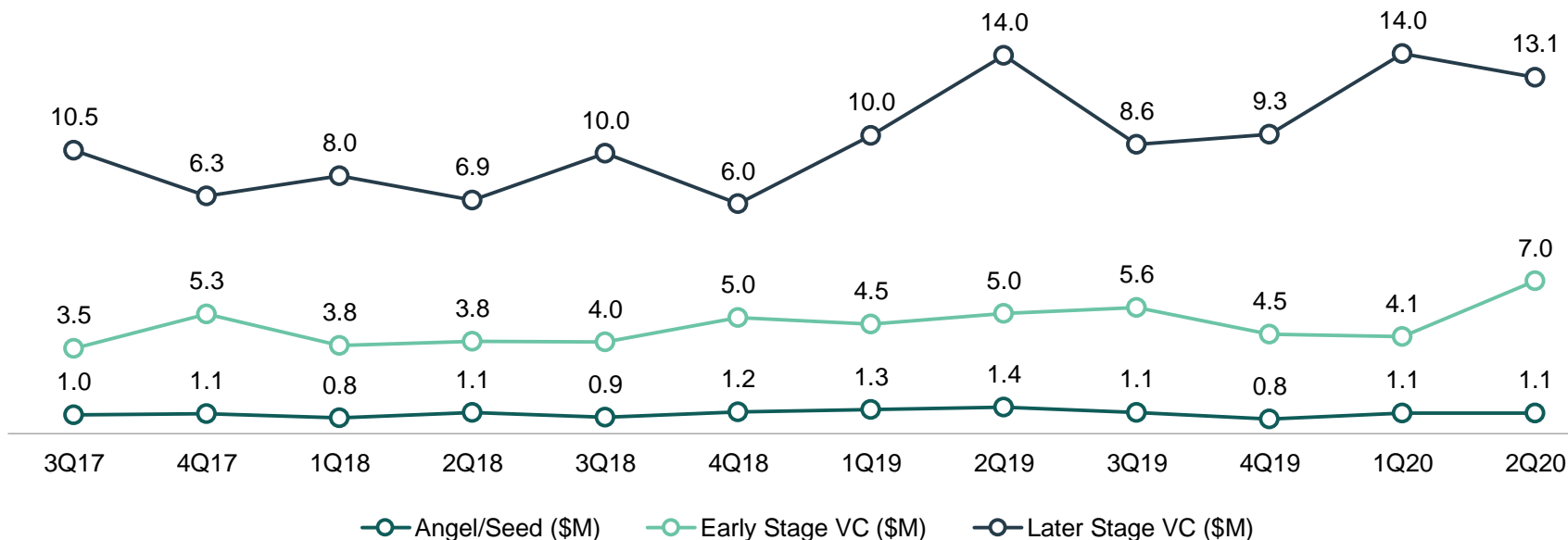
Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Sharp growth witnessed in late-stage median deal sizes in 2Q20

Global VC funding in HealthTech companies, by Median Deal size

July 01, 2017 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

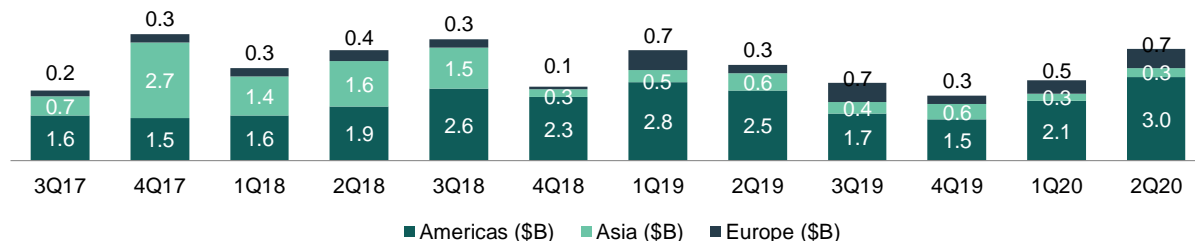
Americas continues to be the market leader in the HealthTech domain

Global VC funding in HealthTech companies, by Geographic Location

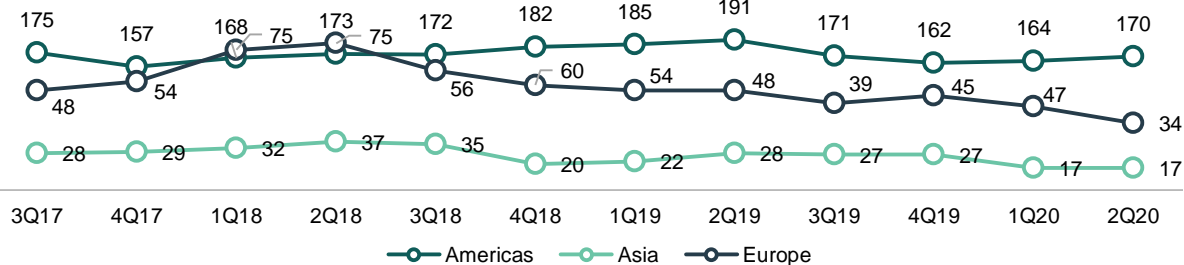
July 01, 2017 – June 30, 2020

Currency in \$, unless otherwise specified

Capital Invested



No. of deals



The US has dominated the HealthTech space in terms of both innovation and funding. In 1H20, VC funding in the Americas accounted for 73% of total VC funding globally. Of the 14 mega deals closed in 2020, 11 occurred in the US. Europe is another rising hub for HealthTech, with an 18% YoY increase in funding in 1H20. If this funding spree is replicated in 2H20, 2020 would turn out to be the best year for the European HealthTech space. While funding in the Asian HealthTech space continued its momentum in 2Q20, it is still below its 2019 levels.

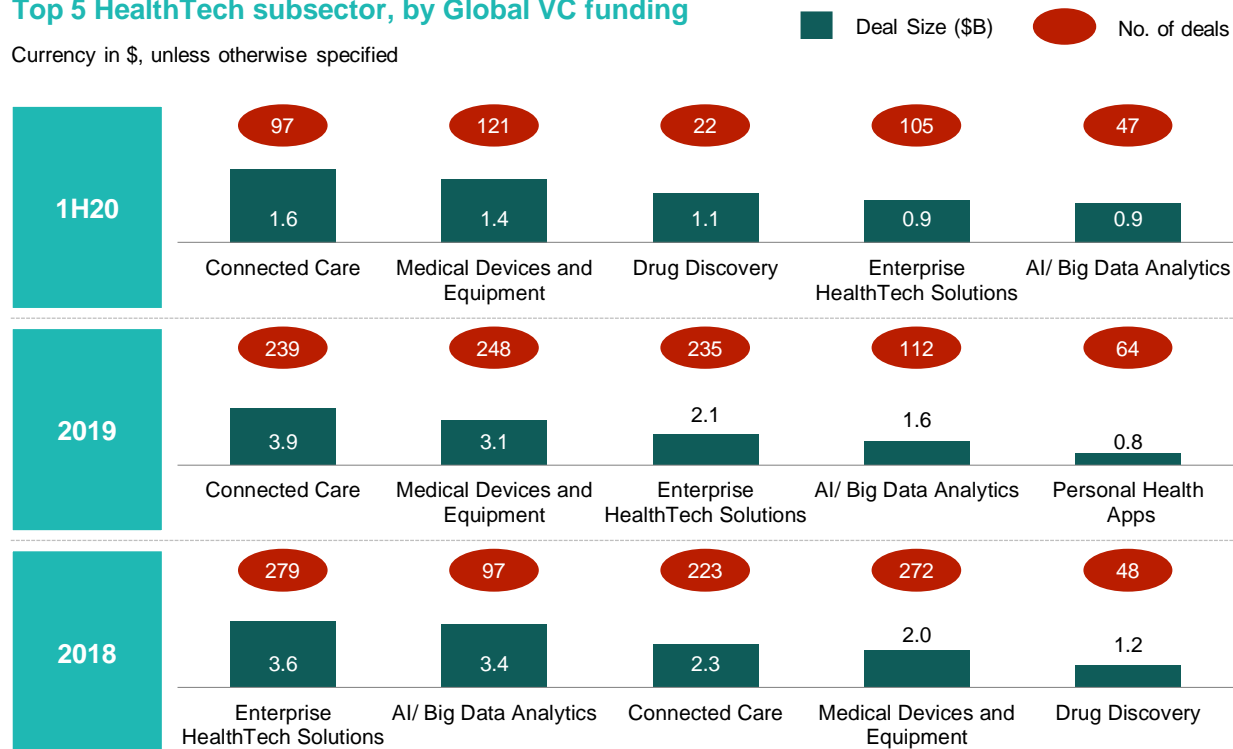
Data Source: Pitch Book, unless specified otherwise

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Connected care, medical devices and equipment companies claim highest funding

Top 5 HealthTech subsector, by Global VC funding

Currency in \$, unless otherwise specified



Connected care companies providing telehealth, remote monitoring services, and aggregator platforms have attracted the highest VC investment dollars in 2019 and 2020. The pandemic has increased the need for telehealth services; startups in this segment with cutting edge technology and a wide user base are promising investment opportunities for VCs.

Medical devices and equipment companies have been on the rise, especially those using AI, helping healthcare providers get better patient outcomes through early detection and sophisticated techniques, as well as those providing at-home diagnostics devices.

Companies offering Enterprise HealthTech solutions and Big data analytics have consistently remained among the top five segments that receive VC funding.

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Top 10 VC funding deals in 1H20

Top 10 global VC funding deals in HealthTech

January 01, 2020 – June 30, 2020

| Company | Region | Verticals | Deal Size (\$M) | Business Status | Key Investors | Funding Round |
|---|--------|-------------------------------|-----------------|---------------------|---|---------------|
|  Everest Medicines | US | Drug Discovery | 310 | Pre-Clinical Trails | Cormorant Asset Management, Decheng Capital, GT Fund, HBM Healthcare Investments, CBC Group | Series C |
|  LumiraDx | UK | Medical Devices and Equipment | 302 | Generating Revenue | Current Yield with Participation Fund, Morningside Group | - |
|  Oscar | US | Health Insurance | 225 | Generating Revenue | Coatue Management, General Catalyst, GV, Khosla Ventures, Baillie Gifford | - |
|  Amwell | US | Connected Care | 194 | Generating Revenue | SV Health Investors, Takeda Pharmaceutical Company, Allianz X | Series C |
|  KRY | Sweden | Connected Care | 156 | Generating Revenue | Index Ventures, JPKE, Teachers' Innovation, Creandum, Accel | Series C |
|  insitro | US | AI/ Big Data Analytics | 143 | Startup | BlackRock, Canada Pension Plan, Casdin Capital | Series B |
|  Zhangshang Tangyi | China | Personal Health Apps | 143 | Profitable | Bojiang Capital, CMB International Capital, Oriental Patron Securities | Series D |
| KALLYOPE | US | Drug Discovery | 112 | Startup | Casdin Capital, Greenspring Associates | Series C |
|  Kymera | US | Drug Discovery | 102 | Generating Revenue | Bain Capital, BlackRock, BVF Partners, Janus Henderson Investors, Logos Capital | Series C |
|  Mindstrong | US | Connected Care | 100 | Generating Revenue | 8VC, What If Ventures | Series C |











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Top 10 VC funded HealthTech startups with the highest total funding

Top 10 global VC-funded companies in HealthTech

July 01, 2017 – June 30, 2020

| Company | Region | Verticals | Raised to date (\$M) | Business Status | Key Investors |
|--|--------|------------------------|----------------------|--------------------|---|
|  Sensetime* | China | AI/ Big Data Analytics | 2,867 | Generating Revenue | Huaxing Fund, SB China Venture Capital |
|  Ping An Healthcare | China | Connected Care | 2,700 | Generating Revenue | IDG Capital, SBI Holdings, SoftBank Investment Advisers |
|  Oscar | US | Health Insurance | 1,504 | Generating Revenue | All-Stars Investment, Alpha Intelligence Capital Fund, Bank of China Group Investment, Fidelity International |
|  Clover Health | US | Health Insurance | 925 | Generating Revenue | Expanding Capital, First Round Capital, Greenoaks Capital Partners, Lifeorce Capital, Sequoia Capital, Sofina |
|  Amwell | US | Connected Care | 680 | Generating Revenue | SV Health Investors, Takeda Pharmaceutical Company, Allianz X |
|  Babylon Health | UK | Connected Care | 635 | Generating Revenue | Centene, Kinnevik, Munich Re Ventures, Saudi Arabia's PIF, Vostok New Ventures |
|  Tempus Labs | US | Personal Health Apps | 620 | Generating Revenue | Baillie Gifford, Franklin Templeton Investments, New Enterprise Associates, Novo Holdings |
|  LumiraDx | UK | Drug Discovery | 615 | Generating Revenue | Current Yield with Participation Fund, Morningside Group |
|  Essence Group | US | Drug Discovery | 556 | Generating Revenue | Cerner |
|  HeartFlow | US | Connected Care | 532 | Generating Revenue | - |

*Sensetime offers diversified AI services with a reach beyond HealthTech as well

Data Source: Pitch Book, unless specified otherwise

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In 1H20, VC funding in
HealthTech companies
in the Americas clocked

\$5.2B

across

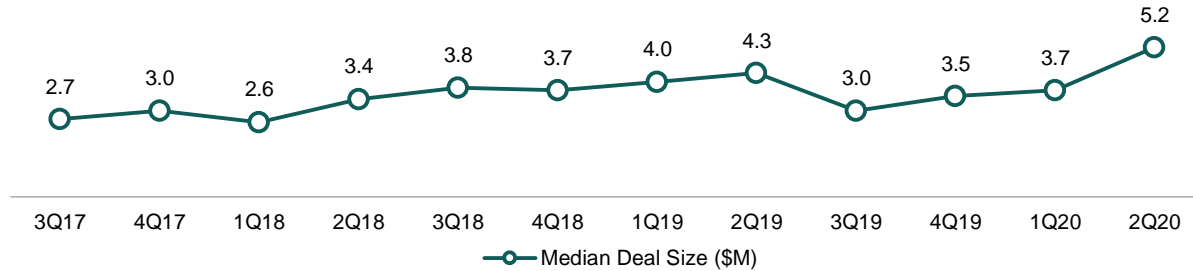
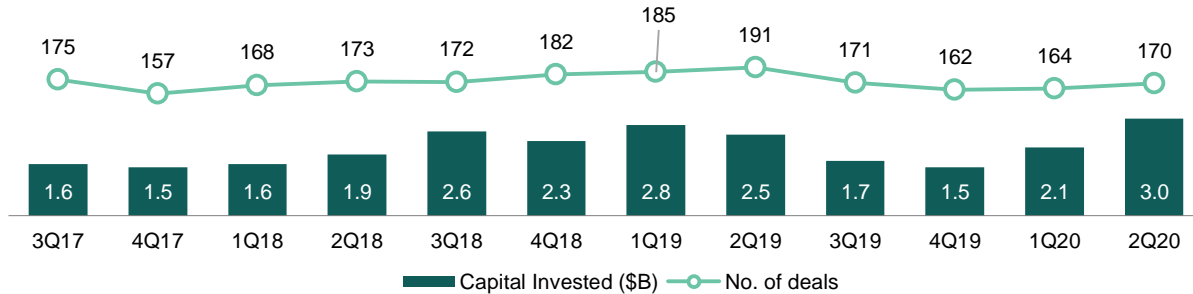
334 deals

Stellar VC funding growth witnessed in both 2020 quarters in Americas

VC deal landscape in HealthTech companies in Americas

July 01, 2017 – June 30, 2020

Currency in \$, unless otherwise specified



The Americas account for around 73% of the global HealthTech VC funding. In the past three years, VCs funded 1,435 US companies, which is more than the total number of companies globally. This fact further confirms the dominance of the US in the HealthTech segment. After two sluggish quarters in 2019, VC funding in the Americas thrived in 2020, withstanding the COVID-19 storm and emerging even more successful, with 45% and 41% QoQ rise in 1Q20 and 2Q20, respectively.

Data Source: Pitch Book, unless specified otherwise

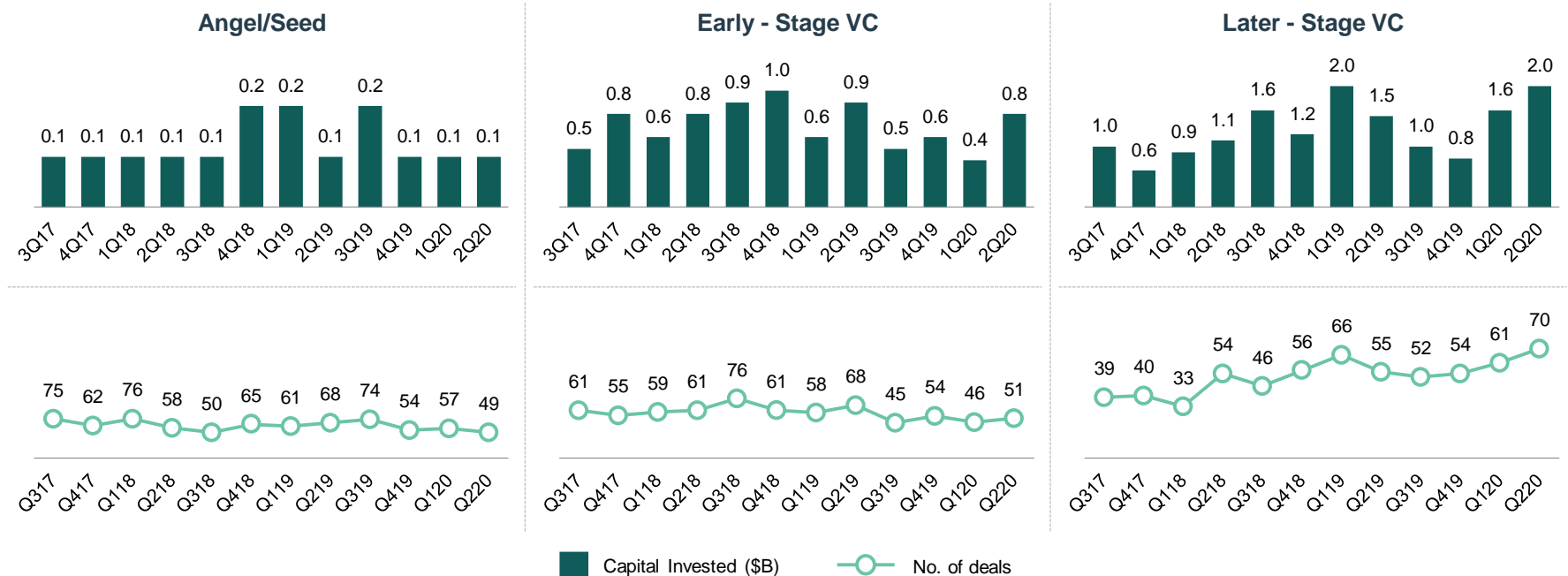
Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Early stage deals continue momentum while late-stage deals demonstrate significant traction

VC funding in HealthTech companies in Americas, by Stage

July 01, 2017 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

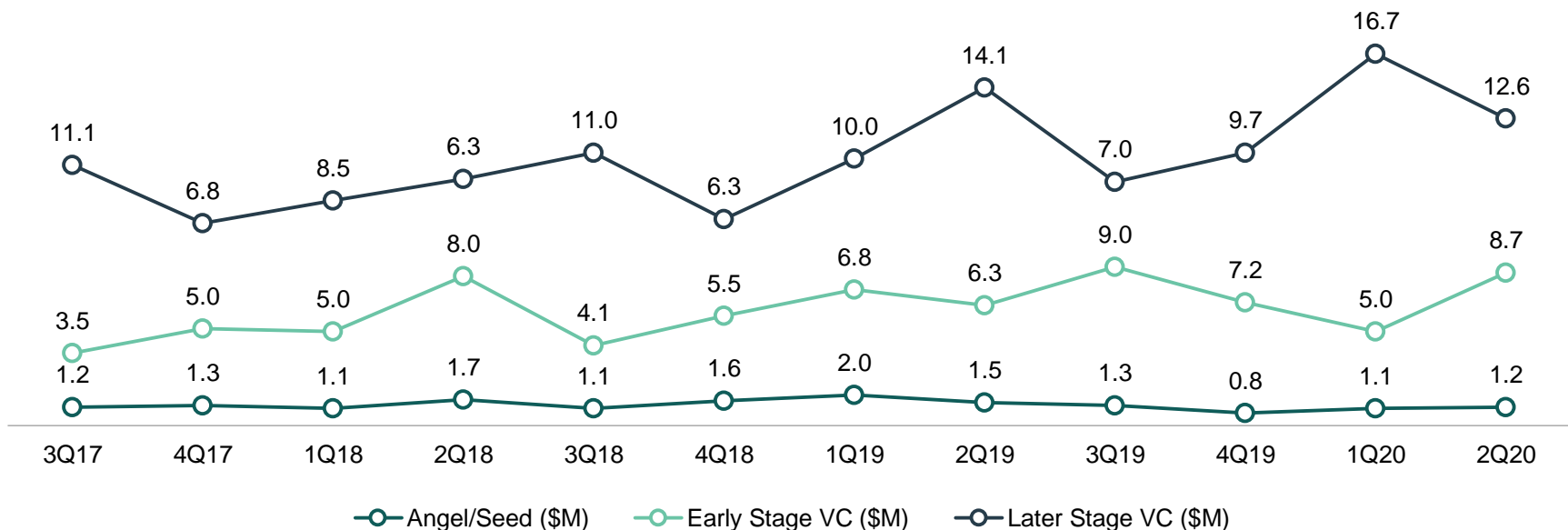
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Early stage deals receive bigger investments; Angel/seed investments remain flat

Americas VC funding in HealthTech companies, by Median Deal size

July 01, 2017 – June 30, 2020

Currency in \$, unless otherwise specified



Data Source: Pitch Book, unless specified otherwise

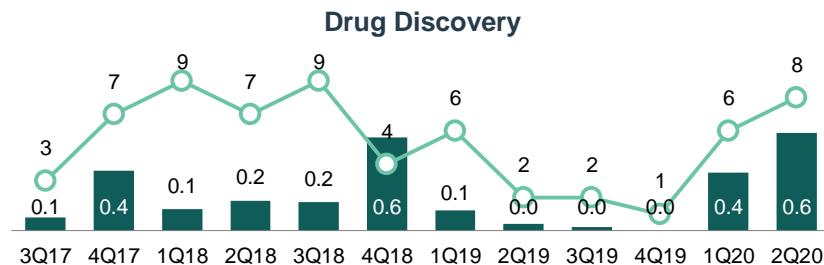
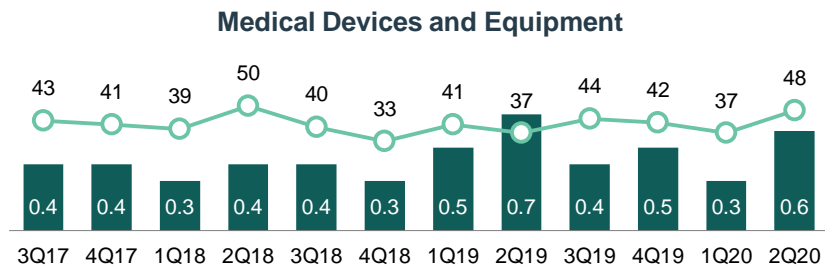
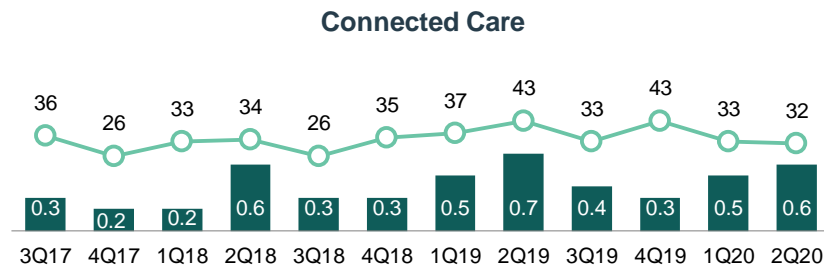
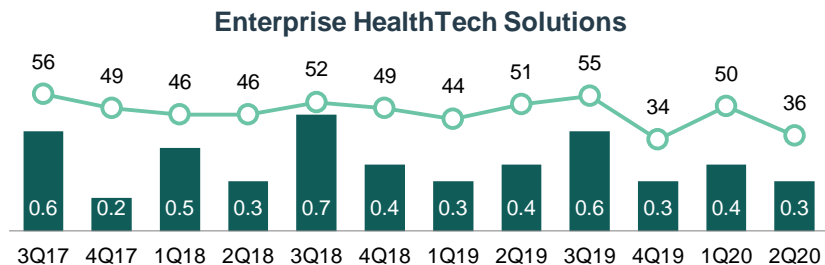
Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Increase in Connected Care HealthTech funding, an expected outcome as VC investors park their money in telehealth startups

VC funding in Americas, by Subsector

July 01, 2017 – June 30, 2020

Currency in \$, unless otherwise specified



■ Capital Invested (\$B)

○ No. of deals

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Top 10 VC funding deals in 1H20 in Americas

Top 10 VC funding deals in HealthTech in Americas

January 01, 2020 – June 30, 2020

| Company | Region | Verticals | Deal Size (\$M) | Business Status | Key Investors | Funding Round |
|---|--------|------------------------|-----------------|---------------------|---|---------------|
|  Everest Medicines | US | Drug Discovery | 310 | Pre-Clinical Trails | Cormorant Asset Management, Decheng Capital, GT Fund, HBM Healthcare Investments, CBC Group | Series C |
|  Oscar | US | Health Insurance | 225 | Generating Revenue | Coatue Management, General Catalyst, GV, Khosla Ventures, Baillie Gifford | - |
|  Amwell | US | Connected Care | 194 | Generating Revenue | SV Health Investors, Takeda Pharmaceutical Company, Allianz X | Series C |
|  insitro | US | AI/ Big Data Analytics | 143 | Startup | BlackRock, Canada Pension Plan, Casdin Capital | Series B |
| KALLYDPE Kallyope | US | Drug Discovery | 112 | Startup | Casdin Capital, Greenspring Associates | Series C |
|  Kymera | US | Drug Discovery | 102 | Generating Revenue | Bain Capital, BlackRock, BVF Partners, Janus Henderson Investors, Logos Capital | Series C |
|  Mindstrong | US | Connected Care | 100 | Generating Revenue | 8VC, What If Ventures | Series C |
| TEMPUS Tempus Labs | US | AI/ Big Data Analytics | 100 | Generating Revenue | Baillie Gifford, Franklin Templeton Investments, New Enterprise Associates, Novo Holdings | Series G |
| DNAexus DNAexus | US | Omics Technology | 100 | Generating Revenue | Northpond Ventures, Perceptive Advisors, Regeneron Pharmaceuticals | Series H |
|  Cue | US | Personal Health Apps | 100 | Generating Revenue | Avtar Investments, Flat World Partners, Foresite Capital Management, Madrone Capital Partners | Series C |

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

The background features a dark teal gradient with various hexagonal icons related to healthcare and technology, such as a nurse, a heart with a plus sign, a clipboard, a Wi-Fi symbol, and a cloud with a plus sign. A silhouette of a person is visible on the left side.

In 1H20, VC funding in
HealthTech companies
in Europe and Asia
cumulatively clocked

\$1.7B

across

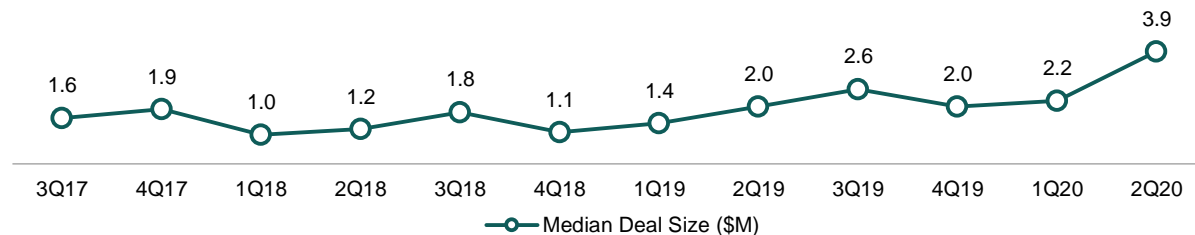
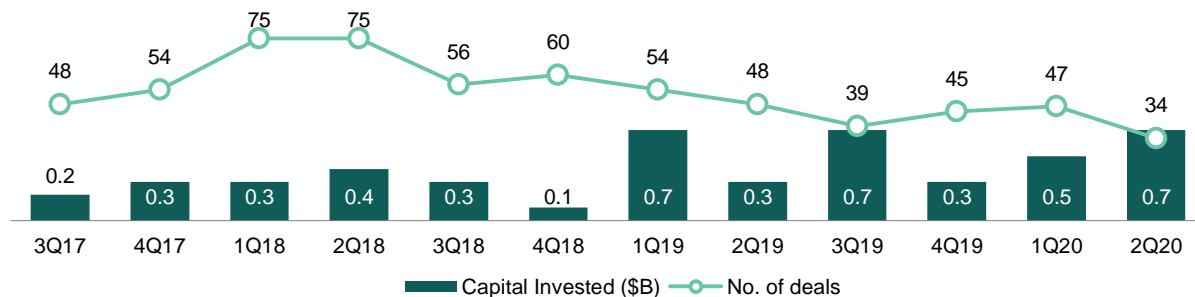
115 deals

2020 likely to be blockbuster year for European HealthTech VC funding

VC deal landscape in HealthTech companies in Europe

July 01, 2017 – June 30, 2020

Currency in \$, unless otherwise specified



VC funding in the European HealthTech sector has been volatile over the past seven quarters in terms of deal value. However, the steady rise in funding in 2020 could help Europe register its best funding figures year to date. In 1H20, the UK, France, and Sweden were at the forefront, with a total of \$516M, \$136M, and \$222Mmillion in HealthTech funding, respectively. While median deal size rose to a record high in 2Q20, majority of Europe's VC funding originated in the early stages, with only two mega deals (>\$100M) in 1H20.








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Top 10 VC funding deals in 1H20 in Europe

Top 10 VC funding deals in HealthTech in Europe

January 01, 2020 – June 30, 2020

| Company | Region | Verticals | Deal Size (\$M) | Business Status | Key Investors | Funding Round |
|---|-------------|-------------------------------|-----------------|---------------------------|--|---------------|
|  LumiraDx | UK | Medical Devices and Equipment | 302 | Generating Revenue | Current Yield with Participation Fund, Morningside Group | - |
|  KRY | Sweden | Connected Care | 156 | Generating Revenue | Index Ventures, JPKE, Teachers' Innovation Platform, Accel, Creandum | Series C |
|  Cera Care | UK | Connected Care | 69 | Generating Revenue | Guinness Asset Management, Kairos Society, Yabeo Capital | - |
|  Prilenia Therapeutics | Netherlands | Drug Discovery | 63 | Generating Revenue | Forbion, Morningside Venture Capital, Sectoral Asset Management | Series A |
|  Dynacure | France | Drug Discovery | 55 | Clinical Trials - Phase 1 | Perceptive Advisors, Tekla Capital Management | Series C |
|  DOKTOR.SE | Sweden | Connected Care | 49 | Generating Revenue | Carnegie Investment Bank, Svenska Handelsbanken | Series C |
|  Robocath | France | Medical Devices and Equipment | 44 | Generating Revenue | ANAXAGO, CLIF, CS Group, MicroPort Scientific, Silk Road Fund | Series C |
|  Perspectum Diagnostics | UK | Medical Devices and Equipment | 36 | Generating Revenue | HealthQuest Capital, Oxford Sciences Innovation, Puhua Capital, Sandbox Industries | Series B |
|  VectivBio | Switzerland | Drug Discovery | 35 | Startup | Bpifrance, Cowen Healthcare Investments, Inserm Transfert, Novo Holdings, OrbiMed, Pfizer Ventures, Tekla Healthcare Investors, Versant Venture Management | - |
|  OVIVA | Switzerland | Personal Health Apps | 21 | Generating Revenue | Earlybird Venture Capital, MTIP | Series B |

Data Source: Pitch Book, unless specified otherwise

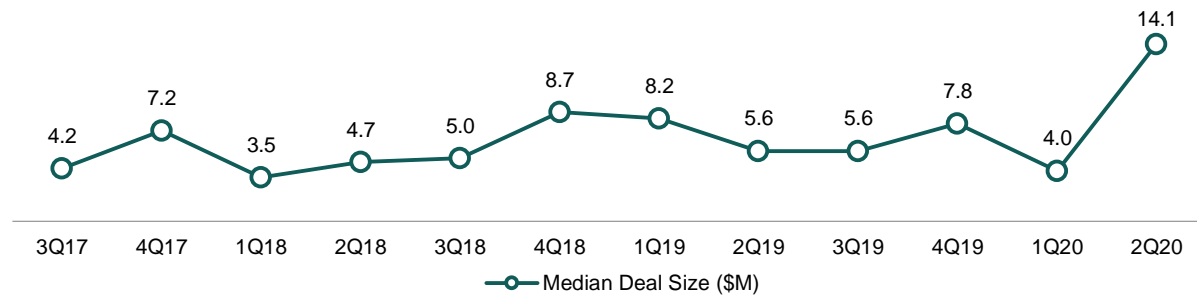
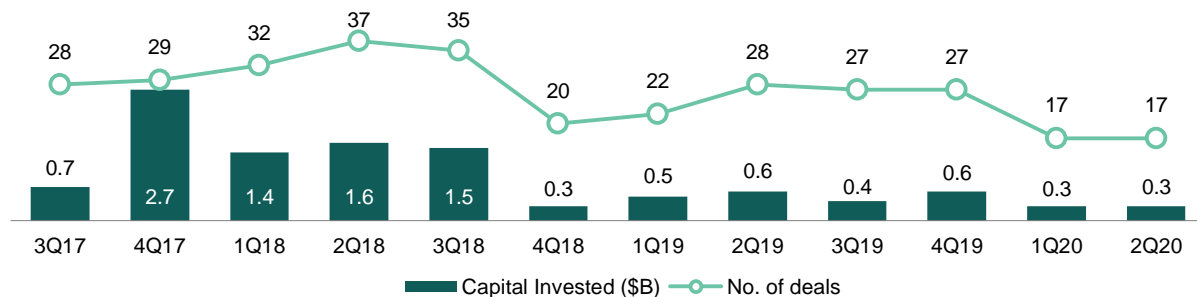
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VC funding slows down in Asia in 2020

VC median deal landscape in HealthTech companies in Asia

July 01, 2017 – June 30, 2020

Currency in \$, unless otherwise specified



After a successful funding year in 2018, deal activity in the Asian HealthTech space slowed down in 2019 and further spiraled down in 1H20. On the other hand, median deal size leaped to a record high, the highest in 2Q20 across the globe, with one mega deal (>\$100M) in China.

Majority of funding over the years has originated from China. In 1H20, 77% of the funding stemmed from China, followed by 11% from India. Although HealthTech funding in India is still in nascent stages, startups that are addressing consumer needs in the current scenario are truly thriving; for instance, PharmEasy, an Indian drug delivery app, nearly doubled its revenue in FY20.











Data Source: Pitch Book, unless specified otherwise

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Top 10 VC funding deals in 1H20 in Asia

Top 10 VC funding deals in HealthTech in Asia

January 01, 2020 – June 30, 2020

| Company | Region | Verticals | Deal Size (\$M) | Business Status | Key Investors | Funding Round |
|---|-------------|---------------------------------|-----------------|--------------------|---|---------------|
|  Zhangshang Tangyi | China | Personal Health Apps | 143 | Profitable | Bojiang Capital, CLP Health Industry Fund, CMB International Capital, LB Investment, Oriental Patron Securities | Series D |
|  Huayin Health | China | Omics Technology | 85 | Generating Revenue | Bank of China Group Investment, Chongqing Technology Venture Capital, Everest Capital | Series C |
|  Miaoshou Doctor | China | Enterprise HealthTech Solutions | 84 | Generating Revenue | CITIC Securities, INCE Capital Partners, Index Capital China | Series D |
|  Shukun | China | AI & Big Data Analytics | 28 | Generating Revenue | BOC International, CCB International | Series B1 |
|  Doctor Anywhere | Singapore | Connected Care | 27 | Generating Revenue | EDBI, IHH Healthcare, Pavilion Capital, Square Peg Capital | Series B |
|  Lachesis | China | Enterprise HealthTech Solutions | 22 | Generating Revenue | Shenzhen Capital Group | Series B1 |
|  DocsApp | India | Connected Care | 20 | Generating Revenue | Beyond Next Ventures, Mitsui Sumitomo Insurance Company | Series B |
|  Ubie | Japan | AI/ Big Data Analytics | 19 | Generating Revenue | Suzuken | Series B |
|  Haoxinqing | China | Connected Care | 18 | Generating Revenue | 6 Dimensions Capital, CDIB Capital Group, Korea Investment Partners | Series A |
|  Healing Paper | South Korea | Connected Care | 15 | Generating Revenue | Hana Ventures, KB Investment, Legend Capital | Series B |

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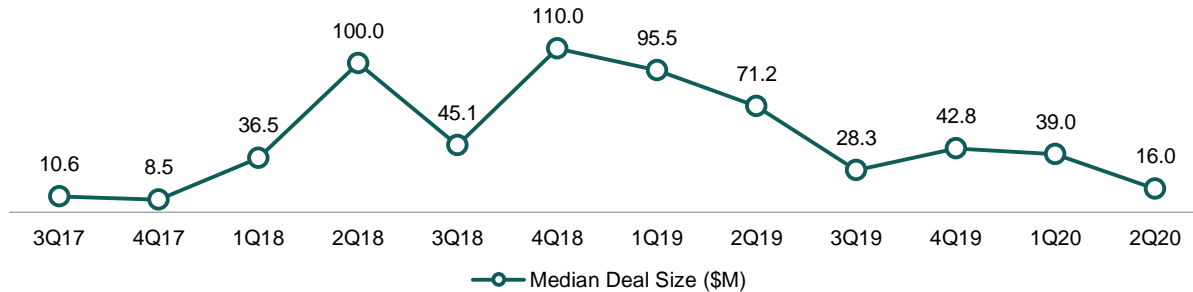
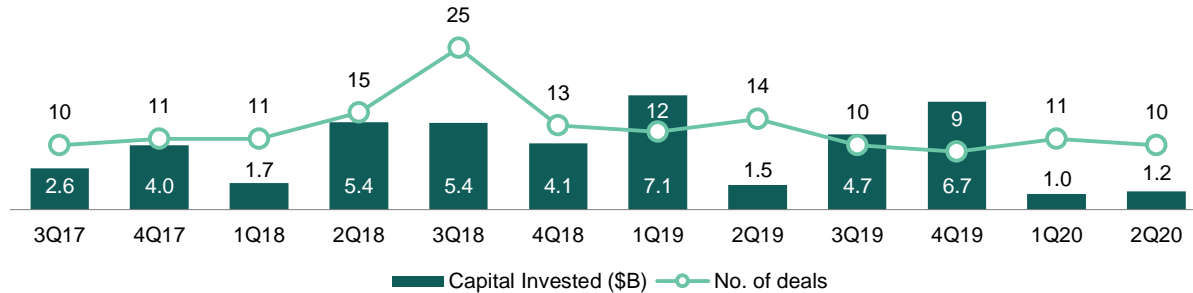
HealthTech: M&A and IPO Landscape

M&A deal value shrinks in 2020

Global M&A deal landscape in HealthTech companies

July 01, 2017 – June 30, 2020

Currency in \$, unless otherwise specified



M&A activity plummeted in 1H20 after two record-setting years in the HealthTech M&A space in terms of deal value and median deal size. The Americas accounted for around 81% of M&A activities in 1H20 across 13 deals. Majority of M&A activities took place in the enterprise HealthTech solutions segment (44% of deal value across 8 deals in 1H20). Acquirers, such as Invitae, proactively search for the next synergistic acquisition to add to their broad utility of genetic testing. With the entry of Amazon (and other digital platforms) in the HealthTech space, the sector would see additional acquisitions, as these tech conglomerates try to venture into their next big adventure – HealthTech.











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Top 10 M&A deals in 1H20

Global top 10 M&A deals in HealthTech

January 01, 2020 – June 30, 2020

| Target | Region | Verticals | Business Status | Buyer | Deal Size (\$M) | EV/Revenue Multiple |
|--|---------|---------------------------------|--------------------|--|-----------------|---------------------|
|  DanaHER | US | Drug Discovery | Generating Revenue | Sartorius | 825 | 4.9x |
|  Stratus Video | US | Enterprise HealthTech Solutions | Generating Revenue | AMN Healthcare Services | 475 | 4.0x |
|  Lumere | US | Enterprise HealthTech Solutions | Generating Revenue | Global Healthcare Exchange, Temasek Holdings | 135 | - |
|  Wellbeing Software | UK | Enterprise HealthTech Solutions | Profitable | Citadel Group | 121 | 5.7x |
|  Scil Animal Care | Germany | Medical Devices and Equipment | Profitable | Heska | 110 | - |
|  Diploid | Belgium | Omics Technology | Generating Revenue | Invitae | 104 | - |
|  TranscriptX | US | Omics Technology | Generating Revenue | ReCode Therapeutics | 80 | - |
|  YouScript | US | Enterprise HealthTech Solutions | Generating Revenue | Invitae | 79 | - |
|  CareCloud | US | Enterprise HealthTech Solutions | Generating Revenue | Medical Transcription Billing | 39 | - |
|  Physera | US | Personal Health Apps | Generating Revenue | Omada | 30 | - |



Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

HealthTech IPOs in 1H20

Global IPO listings in HealthTech

January 01, 2020 – June 30, 2020

| Company | Region | Verticals | Business Status | Funding Raised (\$M) | Valuation (\$M) | Valuation/Revenue Multiple | Listing Date |
|---|---------|-------------------------------|--------------------|----------------------|-----------------|----------------------------|--------------|
|  Inari Medical | US | Medical Devices and Equipment | Generating Revenue | 156 | 892 | 12.5x | 22-May-2020 |
|  Monsenso | Denmark | Connected Care | Generating Revenue | 3 | 10 | 7.9x | 10-Jun-2020 |

Data Source: Pitch Book, unless specified otherwise

Note: Please refer to the Methodology section at the end of the report to understand the HealthTech universe and its constituents as defined from the perspective of this report.

Methodology

The underlying deal data used in the report was sourced from Pitchbook. Only transactions with a 'Completed' status were considered.

HealthTech Data Selection Criteria

All transactions classified under the HealthTech vertical by Pitchbook were selected.

We also specifically reviewed details such as business description, original classification, deal value, and nature of deal for all transactions with a deal value surpassing or equal to \$500M using publicly available articles and/or the company website. The data was used to make a reasonable judgment about their inclusion or exclusion within the broader HealthTech universe as well as the verticals/segments therein.

Categorization of Deal Type

For the purpose of this report, we focused on HealthTech deals primarily of three types as per Pitchbook classification: venture capital (VC), private equity (PE), and mergers and acquisitions (M&As). Furthermore, the report covers IPO deals as classified by Pitchbook. All other deal types, including but not limited to secondary transaction, accelerator/incubator, debt-financed, joint venture (JV), and others, were not included in this report.

Venture Capital

For the purpose of this report, we observed the Deal Type and Deal Universe reported by Pitchbook for each deal. Based on Aranca's analysis, the deals tagged as early-stage VC, late-stage VC, angel (individual), restart-angel, seed round and corporate were classified as VC deals.

VC Stages

Angel/seed deals include deals tagged by Pitchbook as angel (individual) and seed round.

Early-stage deals include those tagged by Pitchbook as early stage, which mostly include Series A and Series B companies. VC corporate deals with size less than \$5 million that did not contain any specific tag for early or late stage within Pitchbook data were categorized as early stage.

Late-stage deals include deals tagged by Pitchbook as late stage, which typically represent Series C (and above) transactions. Furthermore, in the absence of specific classification, VC corporate deals of size greater than or equal to \$5 million were categorized as late stage.

In this report, accelerator/incubator is not a part of the VC universe.

Methodology (continued)

Categorization of Industry Segments

All HealthTech deals are classified into ten segments, namely, connected care, medical devices and equipment, AI/big data analytics, enterprise HealthTech solutions, drug discovery, personal health apps, omics technology, health insurance, and others.

The companies were classified based on the business description provided by Pitchbook or the company website.

1. **Connected Care:** Companies that provide telehealth/telemedicine, online patient diagnosis, and patient monitoring services as well as online aggregator platforms for finding doctors, ordering drugs, etc. .
2. **Medical Devices and Equipment:** Companies that harness technologies to provide medical devices and equipment such as diagnostic equipment, monitoring equipment, therapeutics devices, point-of-care diagnostic devices, etc.
3. **AI/Big Data Analytics:** Companies that provide AI and data analytics solutions for managing patient data that can be used across the healthcare domain.
4. **Enterprise HealthTech Solutions:** Companies that provide B2B HealthTech solutions such as workflow optimization, electronic health record and medical record management, claim management, clinical trial management, etc.
5. **Drug Discovery:** Companies that leverage technologies such as AI to research and introduce new drugs to the market.
6. **Personal Health Apps:** Companies that provide personal health management apps such as fitness or diet tracking apps, personal health monitoring apps, etc.
7. **Omics Technology:** Companies that combine technology and biological omics such as genes, mRNA, proteins, and metabolics to offer diagnostics and other healthcare solutions
8. **Wearable Tech:** Companies that provide smart electronic devices that can be worn by an individual for monitoring or therapeutics purposes.
9. **Health Insurance:** Companies that provide insurance solutions in the healthcare space.
10. **Others:** Others include miscellaneous companies classified by Pitchbook under the HealthTech vertical that were not included in any of the above nine categories.

Glossary

| | |
|------------|-------------------------|
| HealthTech | Healthcare Technology |
| 1H20 | First Half of 2020 |
| 1Q20 | First Quarter of 2020 |
| VC | Venture Capital |
| PE | Private Equity |
| M&As | Merger and Acquisitions |

500+

strong team professional team
across multi-disciplinary domains

2500+

global Clients

120+

sectors and sub-sectors
researched by our analysts

80+

countries where we have delivered
projects

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Ashish has over 9 years of experience in Corporate Finance, Transaction Advisory and Business Valuation and has managed financial advisory engagements for over 300 Venture Capital firms focused on investments within the Technology domain.

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