

Digital Health Ecosystem

# 2023 Year End Report

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Investment Trends • Pipeline Maturity • Category Focus • Clinical Focus  
Therapeutic Focus • Noteworthy Deals • Partnerships • Investors



# Foreword

Throughout 2023, the digital health ecosystem has been marked by consolidation, increased investor scrutiny, investment retreats, health systems seeking operational efficiency, and big tech placing smart bets on AI, GenAI, and ChatGPT. The Trends Report is certainly a look back. It is also a nautical chart of the future of a sector undergoing a significant transformation.

## *The Evolution in Digital Health Investment*

2023 saw a tectonic shift in the digital health landscape as investors abandoned well-publicized highfliers and sought realistic perspectives. After the boundless enthusiasm influenced by COVID-19 in 2021, wallets were tighter in 2023. The global averages revealed that only 31% of early-stage ventures, 34% of growth-stage ventures, and 53% of late-stage ventures raised funds in the last 18 months.

Digital health is vast. It harnesses the power of software as a prescription medical treatment for people with unmet medical needs. It is on the cutting edge of health information technologies, driving smart wearables to monitor patient vitals and report data to providers. It ensures precision dosing of medicines. As its category efficacy and safety parameters morph, digital therapeutics demand the same degree of clinical commitment, regulatory oversight, and commercial savvy as any clinical product influencing life and health outcomes. The Galen Growth Trend Report embraces that entire landscape.

## *A Complex Environment*

Digital health is central to the transformation of the care ecosystem; however, fewer than 35% of digital health ventures secured funding in the past 18 months. This indicates an overall decline in investor support but a reorientation toward sub-sectors offering less risk. The pace of mergers and acquisitions (M&A) notably slowed, and initial public offerings (IPOs) and special purpose acquisition companies (SPACs) were few, underscoring investors retreating, waiting to see what the markets find valuable before reengaging.

Less than a handful of years ago, there was significant money available to scale up companies such as Pear Therapeutics (U.S.), Olive.ai (U.S.), and Babylon (U.K.). Last year, these companies fell like dominos. Some investors remain in shock, while others reflect on the due diligence processes they wish they had pursued.

GenAI (Generative AI) has emerged as one of the most exciting applications in the health sphere. Its prominence in biopharma and partnerships among health systems and innovators underscore its status as a central focus in 2023 and beyond. The sector is shifting to address health system pain points – from taking the wash of “big data” found in electronic medical records and “scraping it” for clinical data that can be used to improve patient care – from confirmed diagnoses to better understanding chronic conditions to tracking for service provided requiring reimbursement codes and importantly providing healthcare staff summaries of patient status.

*(continues on next page)*

# Foreword, *continued*

## *Partnerships and Technological Integration*

The emergence of AI, ChatGPT, and GenAI has sparked partnerships with health systems that have been pivotal for digital health ventures despite investor belt-tightening. In 2023, announcements of new partnerships surged, with a 3% year-on-year increase in the total number of partnerships globally. Technological integration remains a cornerstone, with 39% of private digital health ventures leveraging Artificial Intelligence (AI) or Generative AI technologies to address this sector's desire for greater efficiencies.

Big tech companies have picked up the tempo of digital health investment. Behemoths like Amazon, Google, Microsoft, OpenAI and Google made big plays to partner, acquire and integrate health-specific AI platforms into their portfolios.

Investors are navigating stormy seas for improved returns in an extended higher cost of capital environment, grappling with a constrained investment value chain, reduced exits, scarce IPO opportunities, and current valuations. Private equity's primary responsibility is to their limited partners. Companies once touted as sure bets collapsing have been a wake-up call. As the digital health sector recalibrates, the Galen Growth 2023 Trends Report remains an in-depth diagnostic of the past 12 months and a vital telescope to a potentially transformative future.

*Acknowledgments.* This comprehensive analysis is curated by the Galen Growth specialized research team led by Sara Schmachtenberg, who leads a global group of analysts and industry experts in Asia, Europe and the United States, and to Lawrence Wurtz, Galen Growth US lead. Also, thanks to Ritesh Patel, senior partner and digital health lead, FINN Partners, and FINN Partners marketing colleagues, for partnering to bring this report to you.

## *Disrupting Clinical Research*

The research solutions cluster claimed 20% of the total funding in 2023. Biopharma companies seek to “fail early” – to guard patient safety as we advance medicines in the research clinic and to reduce the costs of creating new medicines. They are putting the idea into action, recognizing that rapidly sorting information can better target drug discovery efforts and validate drug development teams' trial design recommendations.

Like hospitals seeking to operate at heightened efficiency, the biopharma drug development sector recognizes that it needs to reach a much larger pool of patients – with a long-needed emphasis on diversity and broader geography – conveniently participating in clinical trials and ways to collect and sort added data.

**Gil Bashe**

Chair, Global Health and Purpose  
FINN Partners

**Julien de Salaberry**

CEO and Co-Founder  
Galen Growth

# TL;DR

## 2023 DIGITAL HEALTH HEADLINES

### -37%

#### Global Funding

All global regions saw a reduction in **venture funding**, with levels **falling to \$22.0B, 37% YoY below 2022**, as the Digital Health sector continues moving from a phase of inflated expectations to a stage where it delivers practical solutions, thus **shifting from hype to reality**. Geopolitical and economic uncertainty is a significant factor affecting these sectors and is expected to persist into 2024, with a potential reduction in inflation by the end of the year.

### 34%

#### Funding Strength

The landscape for Digital Health ventures is becoming increasingly challenging, with many facing critical funding shortages. Only **34% of growth stage ventures across the globe have secured funding in the past 18 months**, the typical runway period for a raise, signalling a significant drop in investor largesse.

### 1.2x

#### Health Systems

**Health Systems (incl. private clinics and hospitals) take the largest share of new partnerships announced with Digital Health ventures in 2023**, growing 1.2x over 2022. Globally, Digital Health ventures disclosed over 2,400 partnerships in 2023, a YoY increase of 3% over 2022.

### 39%

#### AI (incl. GenAI)

**Globally, 39% of private Digital Health ventures leverage AI or Generative AI (GenAI) technologies**. Of these, 43% primarily focus on Medical Diagnostics or Patient Solutions. GenAI technology is used by 3% of the ventures within the Medical Diagnostics Cluster, and 75% of the ventures use other forms of AI technology.

### -36%

#### Digital Health Investors

The number of investors participating in at least one deal in Digital Health within a calendar year reached its peak in 2021 at 3756 investors. **Since 2021, there has been a 36% decrease in these investors, resulting in only 2594 unique investors in 2023**. From 2019 to 2023, over 9,100 investors have invested in Digital Health ventures, with 28% participating in funding rounds in 2023.

# TL;DR

## 2023 DIGITAL HEALTH ECOSYSTEM

### 96%

#### Exit by M&A

Digital Health IPOs remained elusive in 2023, with **M&A representing a staggering 96% of all exits in Digital Health**. Most acquisition activity continues to be represented by venture-to-venture acquisitions.

### -48%

#### Regulatory Filings

For the second year, **global regulatory filings for Digital Health ventures declined by 48% YoY**. Despite this, the regional distribution of these filings has remained steady over the past three years, with North American ventures accounting for the largest share at 43%.

### 20%

#### Research Solutions

The Research Solutions cluster captured 20% of the total funding value deployed in 2023 to be the top-funded Digital Health Cluster despite a YoY decline in funding of 28%. This trend reflects the **growing investment in Generative AI for Drug Development** to address Pharma pain points.

### 9%

#### Oncology

While ventures agnostic of disease area captured 35% of the deal value, **ventures with products focusing on Oncology took the top therapeutic area spot** for funding value in 2023 with \$2.58B invested in over 129+ deals.

### 14%

#### Europe

Europe overtook Asia Pacific for the first time to become the second-highest funded global region in Digital Health, capturing 14% of the global funding value. **North America retains the top spot** with 70% of the funding value in 2023.

# Scope

**For this full year global report, experts from Galen Growth's collaborated with the FINN Global Digital Health Group to:**

- Chart the complex & fragmented Digital Health landscape
- Uncover emerging market trends
- Identify areas of growth & innovation
- Look beyond funding to explore what's next in this fast-paced sector

The year-end summary reviews the 2023 Digital Health venture funding in the context of ecosystem developments throughout the year and highlights trends to expect in 2024. It also addresses themes that hold great potential to benefit from digital applications.

Want to get into the detail of your preferred regional ecosystem? The most comprehensive regional deep-dives for the full year 2023 will be published by Galen Growth at the end of January. To be notified and/or to access the reports, subscribe to [HealthTechAlpha.com](https://HealthTechAlpha.com).

Since 2017, Galen Growth's research & analysis has set the standard for unbiased Digital Health reporting, with strict analytical criteria applied to ensure consistency and accuracy. Corporates, investors and ventures rely on Galen Growth's research to help make clear-sighted decisions based on industry-best data.



# Data & Methodology

## Source of Data

Unless otherwise stated, all data are exclusively sourced from Galen Growth's proprietary database **HealthTech Alpha™** – the global leading Digital Health data, market intel and analytics on-demand platform. Presently, HealthTech Alpha tracks more than 680M data points and has a coverage exceeding 14,500 Digital Health ventures across the globe. For more information visit <https://www.healthtechalpha.com/>



## Data Scope

- The analysis considers ventures and Digital Health products (e.g. apps) across the globe, with selected analysis focusing on six key regions for Digital Health: North America, Asia Pacific, the Middle East, Western Europe, South America (key markets), and Africa.
- The following scope of analysis criteria must be met in order to be included in this report:
  - The venture was incorporated after 2002
  - The venture has been qualified as being Digital Health i.a.w. Galen Growth's rigorous taxonomy - see page 75
  - The venture's geographic location is determined by its initial country of incorporation
  - Venture funding includes all stages up to but excluding the exit event
  - Subsidiaries of large corporations (e.g. Microsoft) are excluded
  - The product is developed by a Digital Health venture and is a Digital Health product. Other non-digital products or devices are excluded.

## Methodology

Analytics presented in this report are Galen Growth's proprietary algorithms and are explained on page 76

# Contents

10	Digital Health Headlines
20	Ecosystem Insights
28	Investment Insights
44	Cluster Focus
50	Therapeutic Focus
54	What's Next?
58	Noteworthy
74	Key Information
78	About Galen Growth
79	About FINN Partners



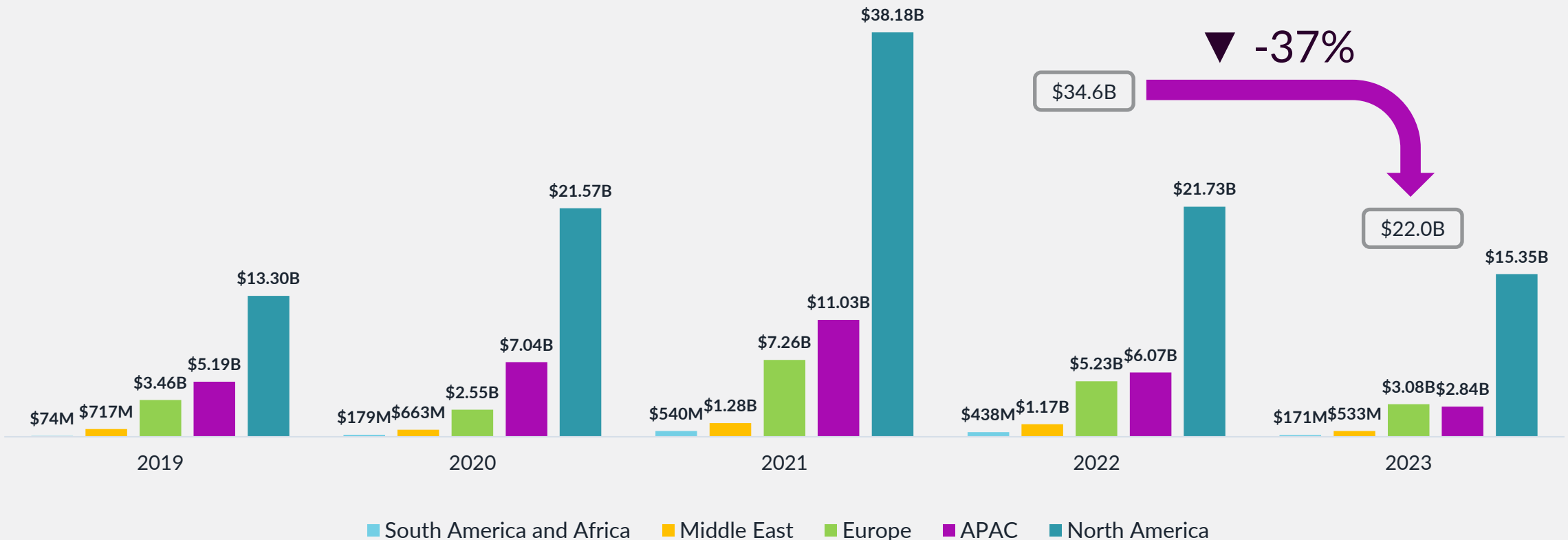
# Digital Health Headlines

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# Global Digital Health Funding Remains Low

The Digital Health sector continues to move from a phase of inflated expectations to one focused on delivering practical solutions, thus shifting from hype to reality. Venture funding levels have fallen 37% below those seen in 2022, driven by the venture capital industry facing a crisis due to a lack of exit transactions. Geopolitical instability continues to be a significant factor affecting this sector which is expected to persist well into 2024.



In 2023

\$22.0B → ▼ -37% YoY

of funding was deployed across

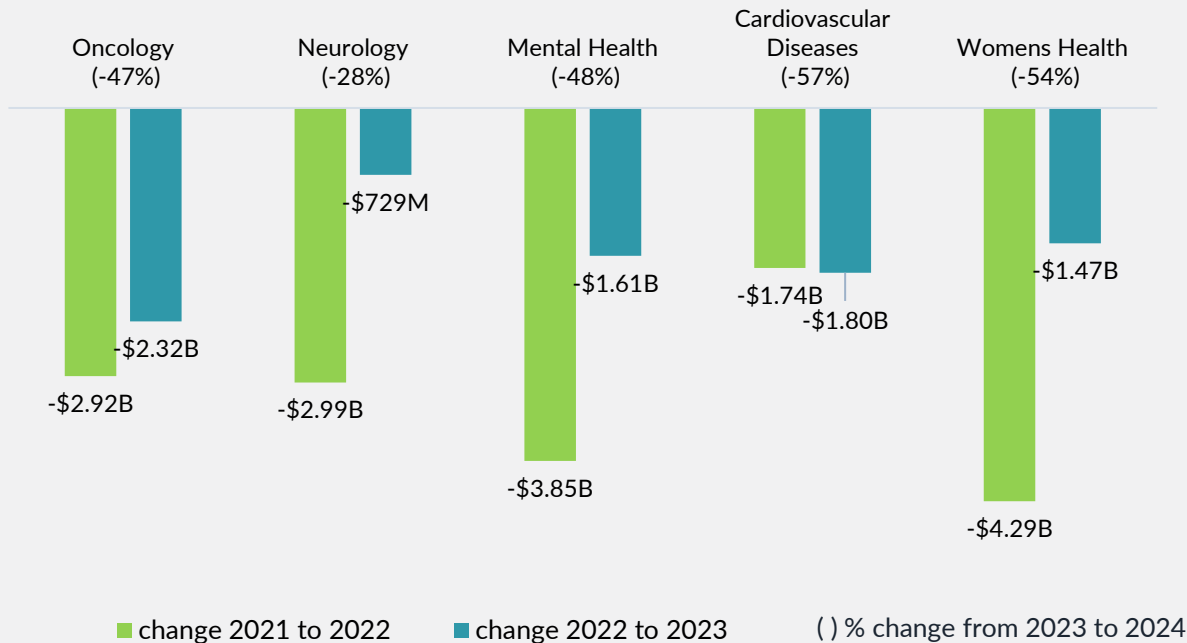
1457 DEALS → ▼ -26% YoY

Globally

# Funding is Down Across the Board

The highest-funded therapeutic areas in 2023 all experienced a funding downturn compared to 2022. Oncology-focused ventures took the top spot, despite a YoY funding decrease of 47%. The same downward trend is seen across the top 6 highest-funded clusters, with Medical Diagnostics and Telemedicine seeing the biggest percentual losses.

Change in venture funding for the Top 5 highest-funded Therapeutic Areas



Change in venture funding for the highest-funded Digital Health Clusters

Digital Health Cluster	YoY Change, 2022 to 2023
Research Solutions	-28% ↓
Health Management Solutions	-25% ↓
Medical Diagnostics	-51% ↓
Patient Solutions	-35% ↓
Telemedicine	-48% ↓
Online Marketplace	-7% ↓

# Funding Strength is reaching critical levels for many ventures

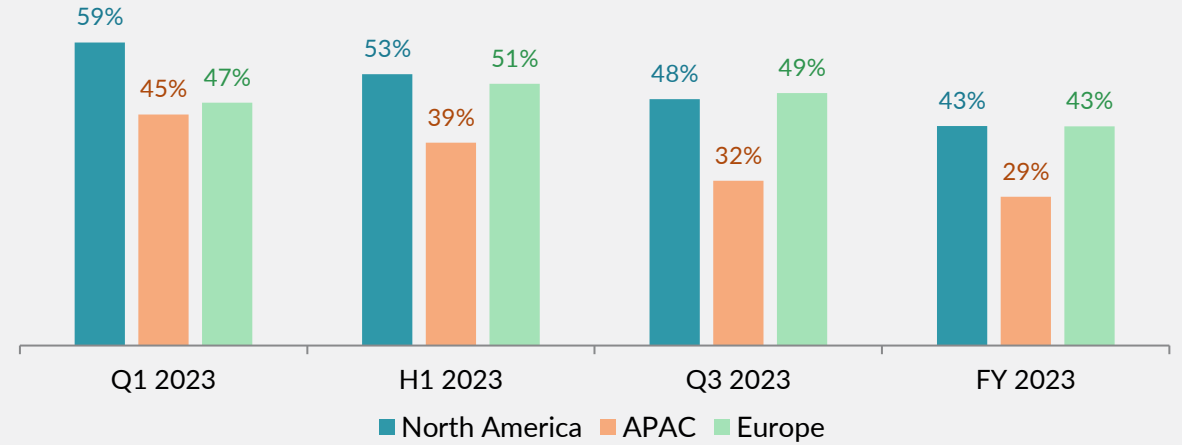
Global Funding Strength has reached critically low levels for many Digital Health ventures that have not raised funding in 18-months, the typical runway period for a raise.

With global averages revealing only 31% of Early Stage ventures, 34% of Growth Stage ventures, and 53% of Late Stage ventures have raised funds in the last 18 months, the remainder of the ecosystem is left to cut costs or rethink their business model.

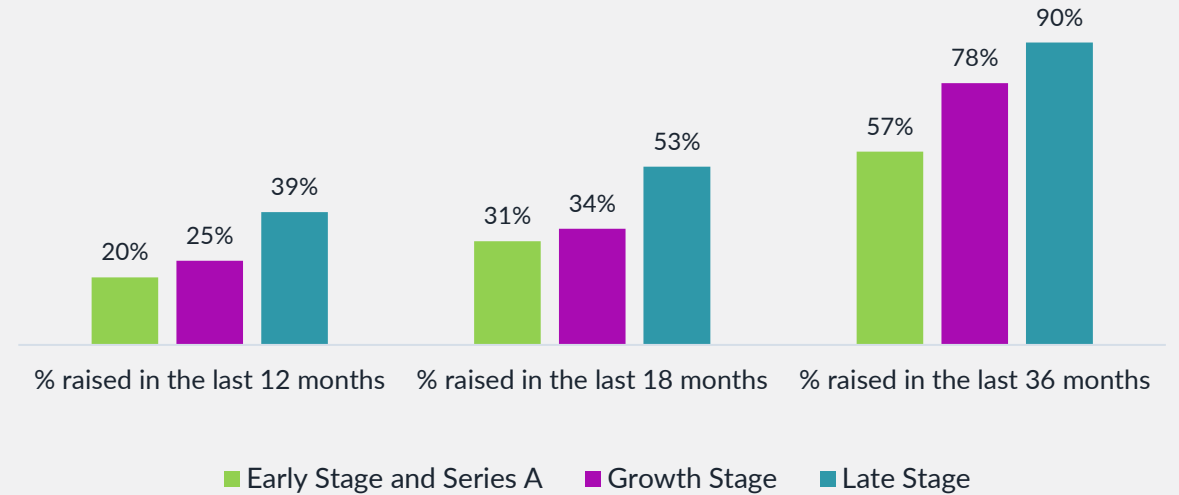
With valuations still seeking a bottom, many ventures have sought alternative funding sources, which have been limited in supply.

Since H1 2023, the share of Growth-Stage ventures raising funds in the past 18 months in Europe has remained on a similar level to North America, while Asia Pacific is falling further behind.

Historical share of Growth Stage Digital Health ventures that have raised funding in the previous 18 months, by quarter



Global average percentage of ventures that have raised funding, by funding interval and current funding stage



Note: Includes only ventures with publicly disclosed funding events

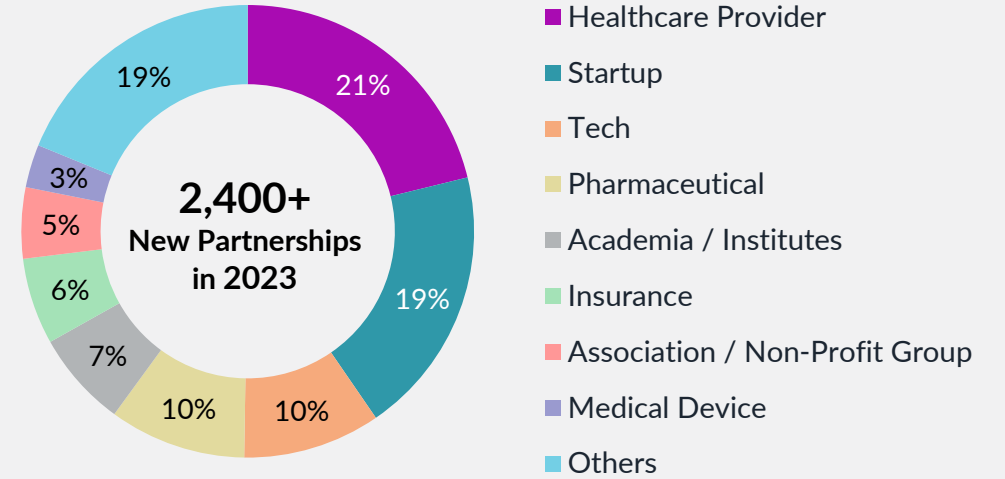
# Health Systems address pain points with Digital Health Partnerships

Globally, Digital Health ventures disclosed over 2,400 partnerships in 2023, a YoY increase of 3%.

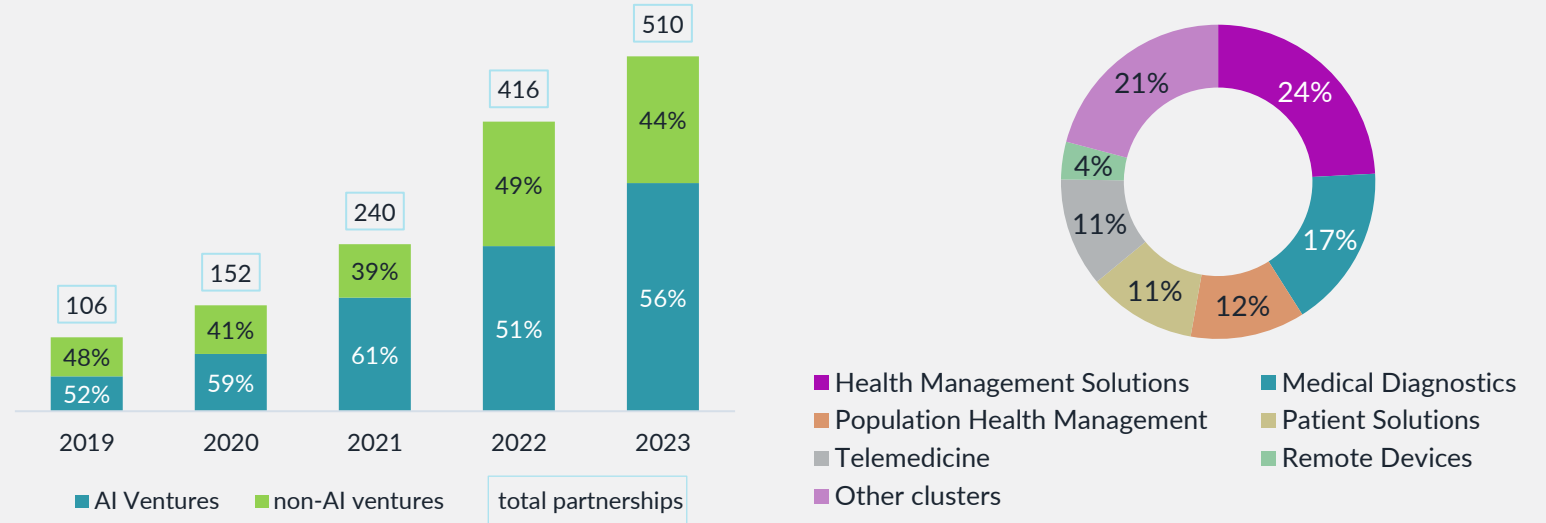
Healthcare Providers (not limited to clinics, hospitals and health systems) take the largest share (21%) of new partnerships announced with Digital Health ventures, growing in number by 1.2x over 2022.

Global Region	% of Partnerships
North America	69 %
Asia Pacific	20 %
Europe	9 %
Middle East	2 %
South America	<1 %
Africa	<1 %

2023 Venture Partnership Share, by industry vertical



Partnerships announced between Health Systems and Digital Health ventures



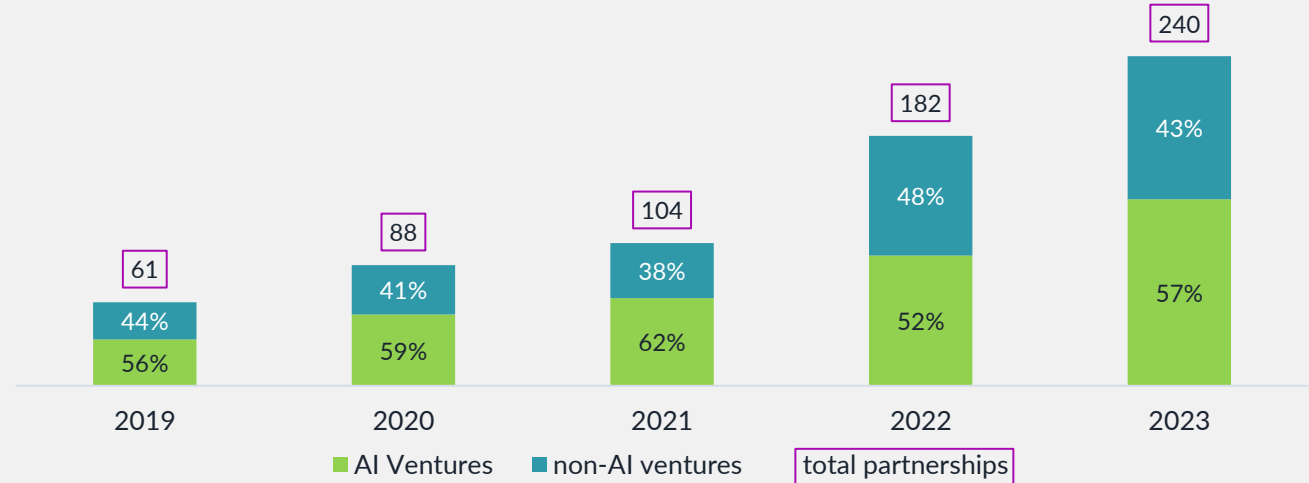
# Big Tech continues building partnerships in Digital Health, with a focus on GenAI

Many Digital Health ventures are looking towards partnerships or using GenAI services from Tech companies to apply GenAI to their products. The number of partnerships between Digital Health ventures and Tech companies grew 2.2x over the 2 years from 2021 to 2023.

Several challenges remain for GenAI in healthcare. Among them, GenAI models used in healthcare must comply with a variety of regulations, such as those governing patient privacy and data security. This can be a complex and time-consuming process.

In addition, the rules and regulations for the use of GenAI are still very fluid and will be region-dependent.

Number of Disclosed Partnerships between Digital Health ventures and Tech companies



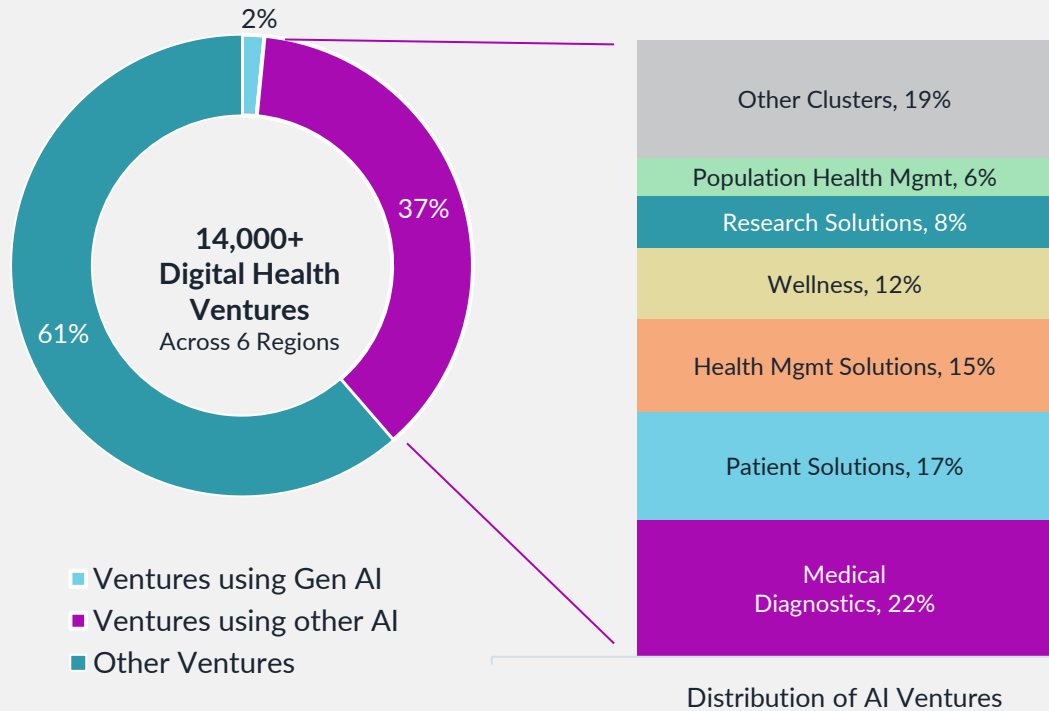
Noteworthy Partnerships between Digital Health ventures and Tech companies focused on GenAI

Microsoft	Amazon (incl. AWS)	OpenAI	Google
iz.ai Paige	Science 37 ARTERYS ATROPOS MEDICALIP	hint regard Medii iodine	HUMA TEMPUS cedar abridge

# The Use of Generative AI remains low, but strong in critical clusters

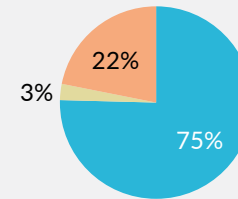
There are more than 3,800 private Digital Health ventures globally that use AI or Generative AI (GenAI, a subset of AI) technology, with 43% of the ventures having a primary focus on Medical Diagnostics (22%) or Patient Solutions (17%). Across all Digital Health ventures in Medical Diagnostics, 3% use GenAI technology and an additional 75% use other forms of AI technology.

Global proportion of ventures using AI or GenAI and Distribution, by Digital Health Cluster

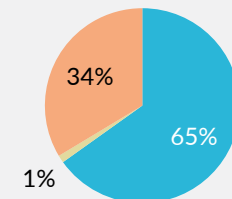


Distribution of ventures in Selected Clusters, by use of AI

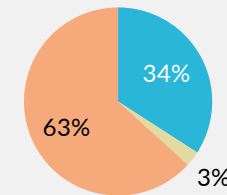
Medical Diagnostics



Patient Solutions



Health Management Solutions



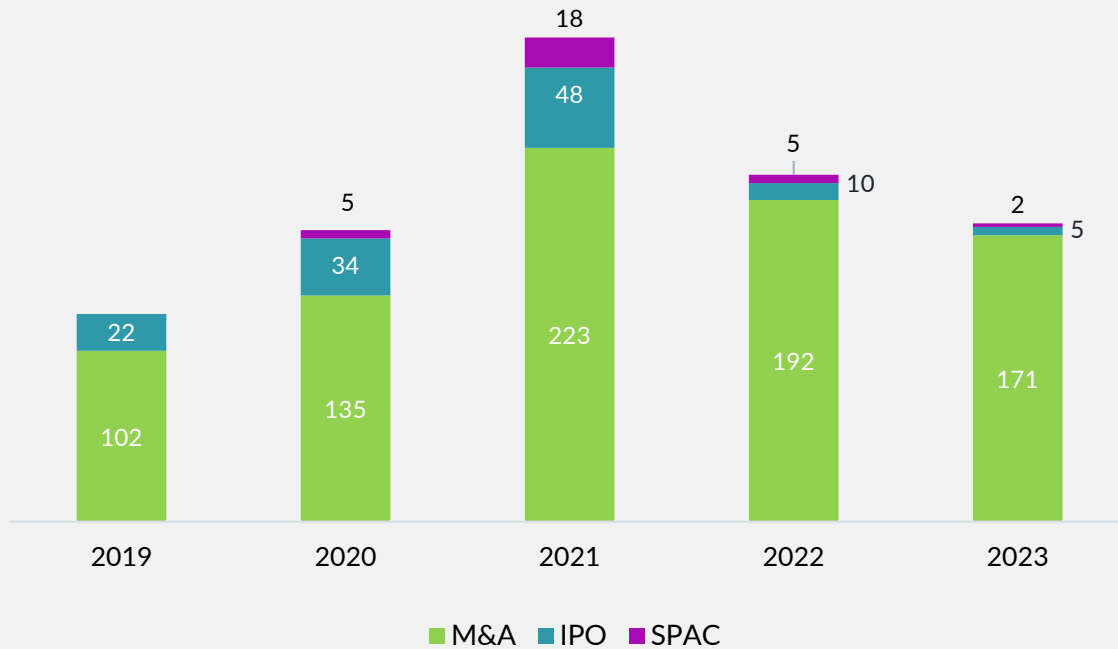
AI (excl. GenAI) GenAI non-AI



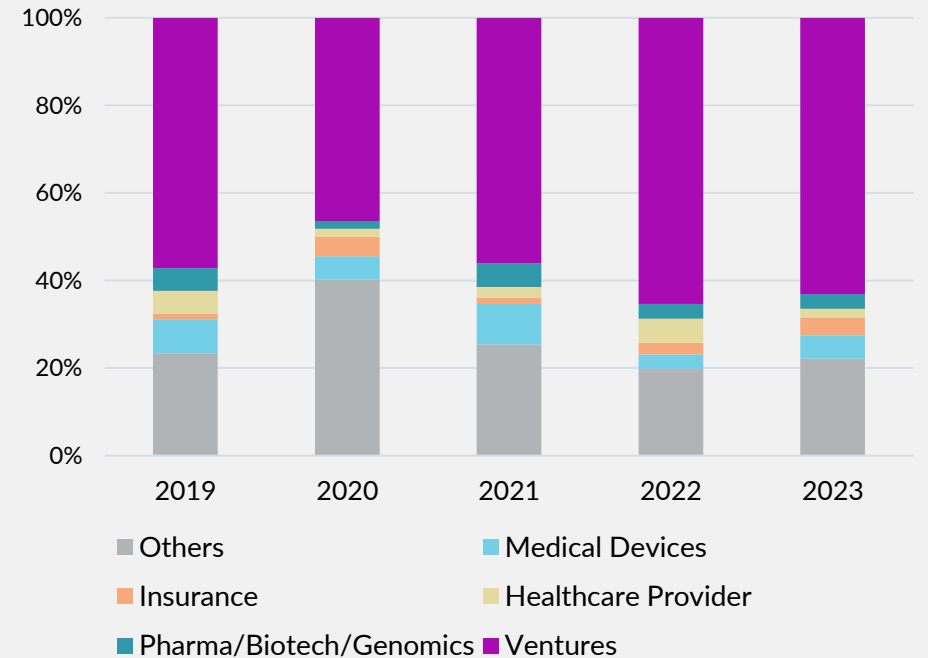
# Investor Exits are low in 2023 and driven by M&A

In 2023, the IPO market for Digital Health remained nearly stagnant, with just 5 IPOs and 2 SPACs, while the number of acquisitions fell by 19% YoY, albeit still significantly higher than the 2020 figures. A large share of the acquisition activity continues to be venture-to-venture acquisitions, and we should expect to see some of the previous IPOs delisting in 2024.

Volume of Investor Exits (M&A, IPO, SPAC)







Acquisition Share of Digital Health ventures, by vertical



# Ventures Growing by Acquisition in 2023

Venture-to-venture acquisition still dominates the M&A activity in Digital Health, and the trend is expected to extend into 2024 as point-solution fatigue grows across the industry. Financial stress for younger ventures will drive down acquisition prices to give more mature ventures a chance to expand.

## Ventures with the highest number of acquisitions of other ventures in 2023

Acquirer	Digital Health Cluster	# of Digital Health Acquisitions in 2023	Total # of Digital Health Acquisitions	Acquired Ventures	Date	Category of Acquired Venture
 <u>EvokAI</u>	Prescriptive Analytics	3	4	<u>Rehaboo</u>	5 / 2023	Wellness Apps
				<u>Head Instrur</u>	5 / 2023	Remote Monitor. Dev.
				<u>Neurocarrier</u>	6 / 2023	Diagnosis Tools
 <u>Recursion</u>	Drug Discovery	2	2	<u>Valence Discovery</u>	3 / 2023	Drug Discovery
				<u>Cyclica</u>	5 / 2023	Drug Discovery
 <u>Twentyeight Health</u>	Teleconsultation	2	2	<u>SimpleHealth</u>	4 / 2023	Consumer Marketplace
				<u>Simple Contacts</u>	4 / 2023	On-Demand Delivery
 <u>Commure</u>	Software Provider	2	7	<u>Athelas</u>	10 / 2023	Physician / Clinic
				<u>RX.Health</u>	11 / 2023	Hospital

# Ecosystem Insights

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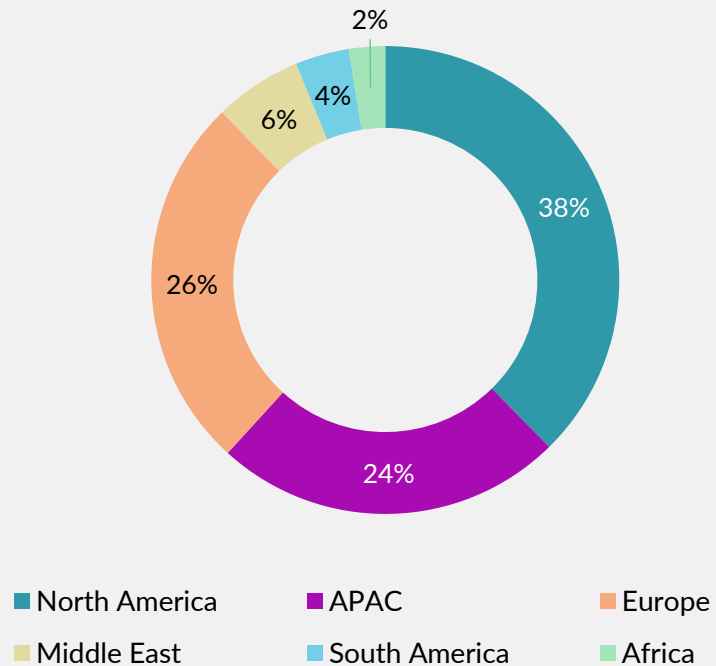
Global 2023 Year End



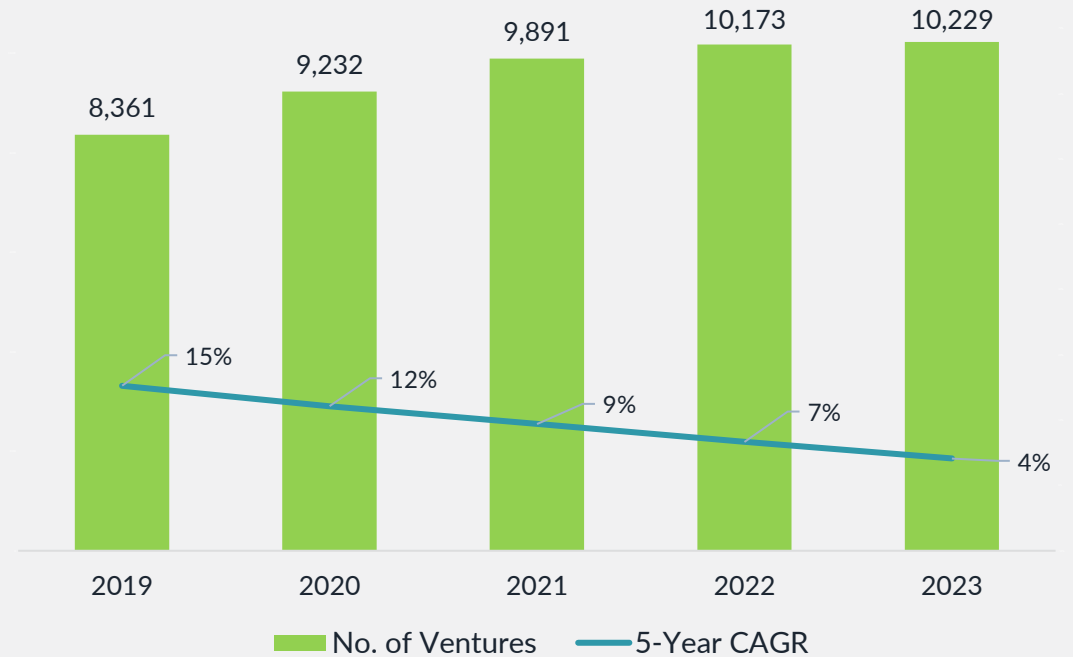
# Global Ecosystem Development

There are more than 10,200 private, and active ventures across the globe. Over the past 5 years, the global Digital Health ecosystem has been expanding at a 5-year CAGR of 4% with 38% of Digital Health ventures founded in North America, making it the largest regional ecosystem.

Proportion of ventures by Region of First Incorporation



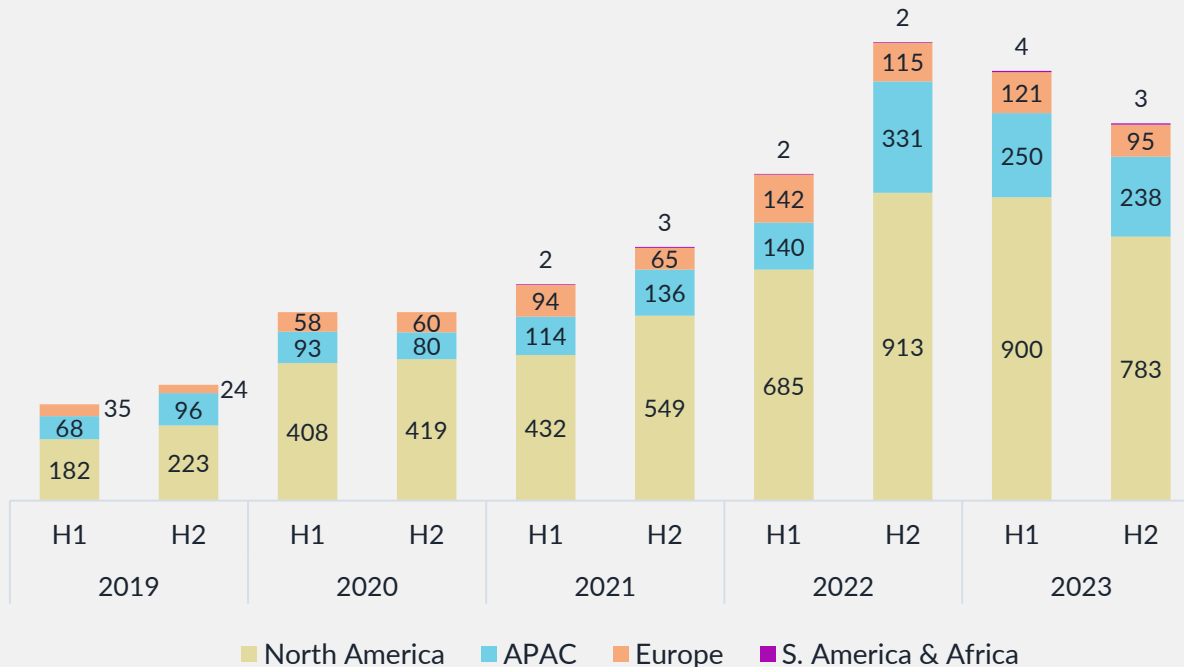
Cumulative volume of Private, Active Ventures, 2019-2023



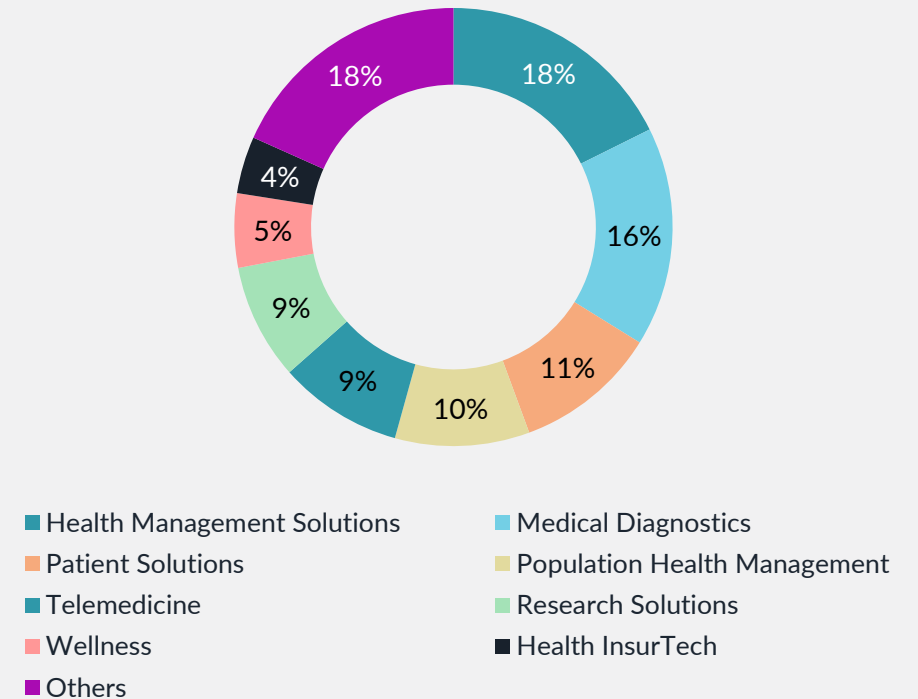
# New Partnership announcements declined over 2023

While deployed venture capital continued to plummet throughout 2023, the number of partnerships announced by Digital Health ventures increased by 3% YoY. Ventures with solutions in Health Management Solutions disclosed the largest share (18%) of partnerships, which corresponds to Health Systems and other healthcare providers being the most active industry vertical for partnering in Digital Health (ref. slide 13).

Growth of Partnerships in Digital Health, by Half-Year and Region



Venture Partnership Distribution in 2023, by Digital Health Cluster



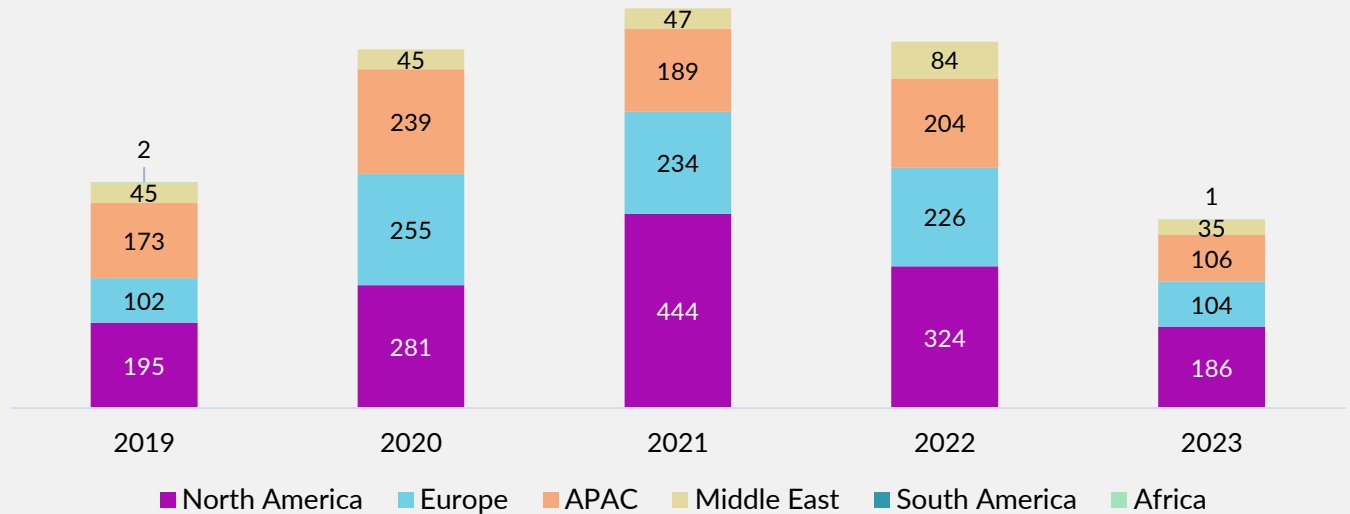
# Regulatory Filings fall short in 2023

In 2023, more than 430 regulatory filings were approved/accepted for **Digital Health ventures** across the globe (not including FDA registrations), **down 48% from 2022**

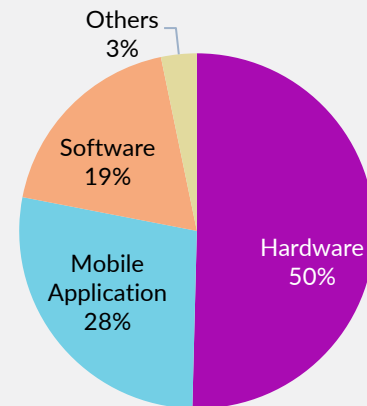
The share of regulatory filings by region has remained nearly constant over the past 3 years, with **ventures founded in North America capturing the largest share (43%)**

Half of the ventures with regulatory filings have medical device (Hardware) products, whereas 28% develop Mobile Applications only

Number of Regulatory Filings, by year and region



Share of Global Regulatory Filings, by Product Type (2023)



# 2023 Clinical Evidence

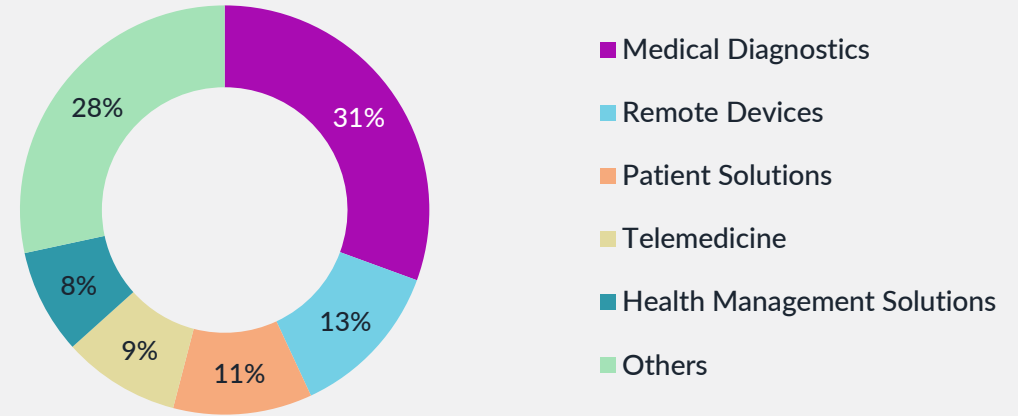
31% of ventures with regulatory filings in 2023 are primarily in the Medical Diagnostics cluster.

The Research Solutions cluster has the highest share of ventures with an Evidence Signal (ES) greater than 40, indicating that the venture has run clinical trials, received regulatory filings, or has more than 4 peer-reviewed publications\*.

Global Region	# of Regulatory Filings in 2023	% of Ventures with ES > 40
North America	186	25%
Asia Pacific	104	21%
Europe	106	30%
Middle East	35	24%
South America	0	9%
Africa	1	9%

\* Refer to Galen Growth's *Clinical Strength in Digital Health* report for methodology on evaluating Clinical Evidence in Digital Health

Regulatory Filings by Digital Health Cluster (2023)



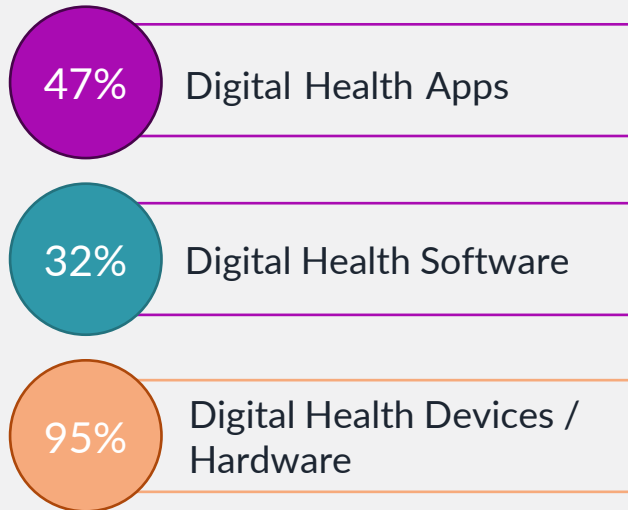
Share of ventures with Evidence Signal > 40, by Digital Health Cluster



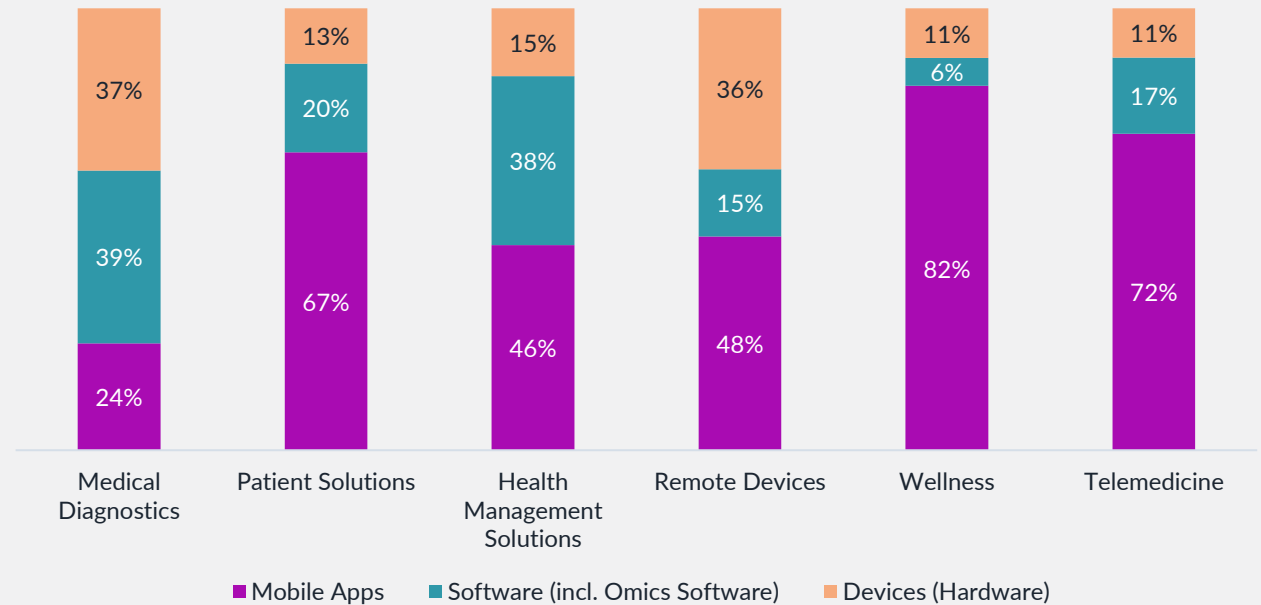
# Patients, Providers and Payors Rely on Products with Proof Points

Digital Health solutions are increasingly required to provide evidence or “proof points” demonstrating their effectiveness and benefits to the intended user. HealthTech Alpha has catalogued over 16,000 products (mobile apps, software, devices, and more) that have been developed by private ventures that are focused primarily on Digital Health. 40% of these products were developed by ventures that have proven Clinical Strength (Evidence Signal (ES) > 40).

Share of products developed by Digital Health ventures with ES > 40, by product type



Share of products\* developed by ventures with ES > 40 in each Digital Health cluster, by product type



\* Only the 3 most frequent product types for Digital Health are shown here. Other types are available on HealthTech Alpha



# Galen Growth's HealthTech 250 - The most innovative new ventures

In December, Galen Growth announced its annual HealthTech 250 – The Most Promising Early Stage Digital Health Ventures in 2023. This year's ventures span all regions driving Digital Health innovation – N. and S. America, Asia Pacific, Europe, the Middle East and Africa. Covering the entire patient journey, they offer solutions from preventive measures to reimbursement, represented through 39 out of the 58 Digital Health categories (see slide 43).



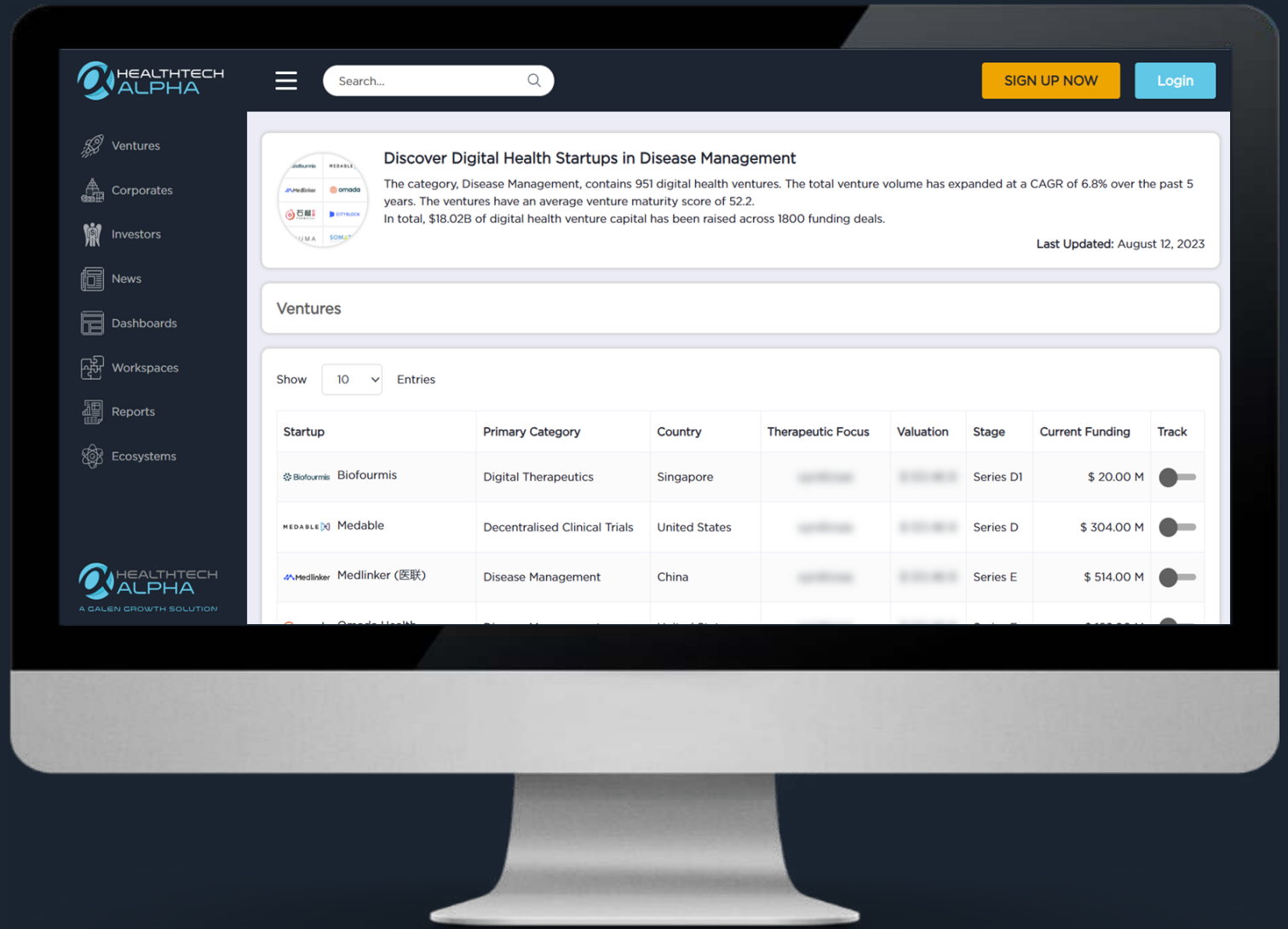
The annual HealthTech 250 analysis is a result of Galen Growth's data-driven computation combined with the renowned expertise of Galen Growth's research team.

Read the full blog and download all 250 ventures from:  
<https://www.galengrowth.com/2023-healthtech-250/>



Access all the data behind this report and conduct your own analysis

Get started



# Investment Insights

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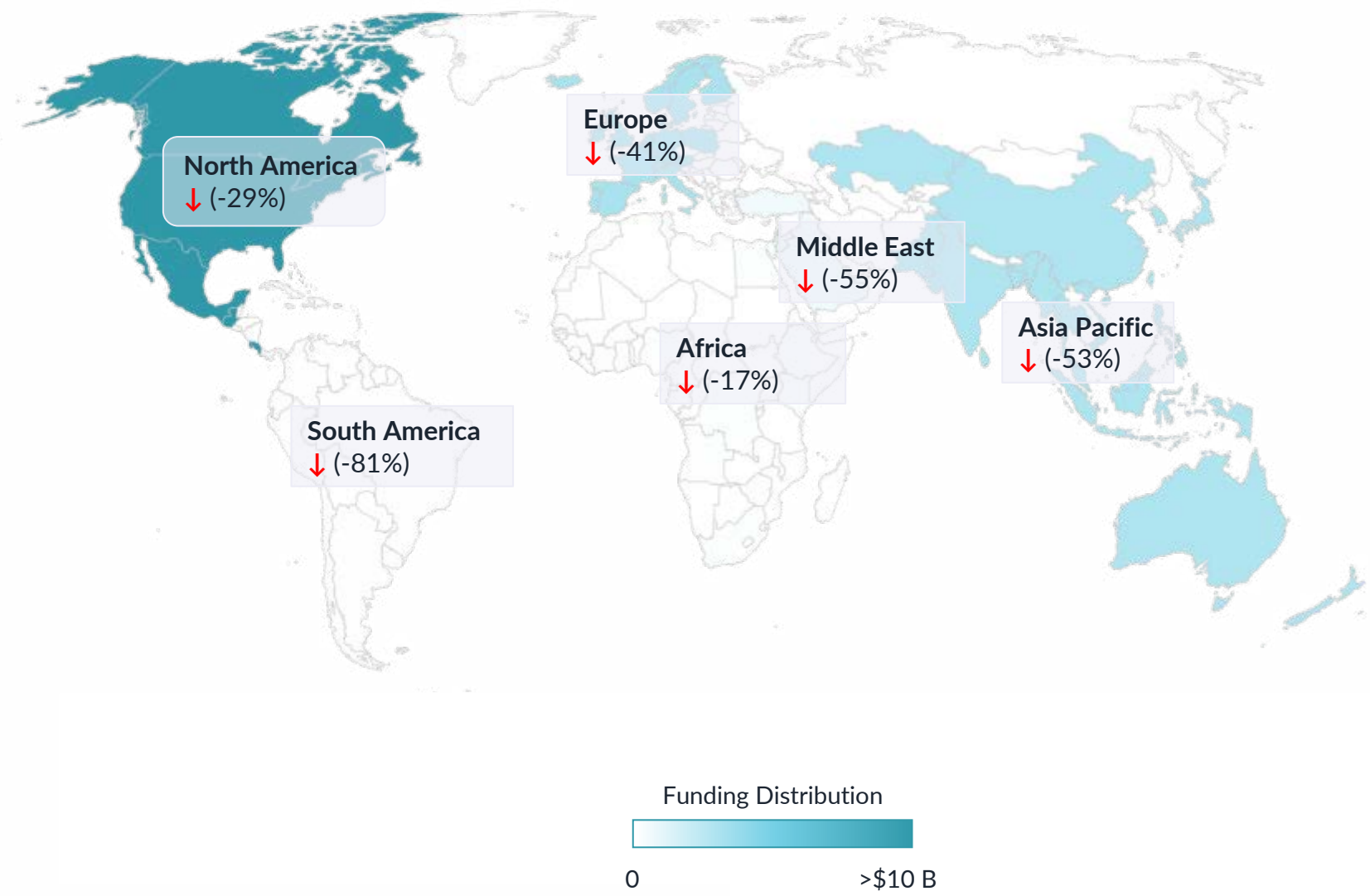
Global 2023 Year End



# 2023 Funding Distribution

Europe overtook Asia Pacific for the first time to become the second-highest funded global region in Digital Health, capturing 14% of the global funding value. North America retains the top spot with 70% of the funding value in 2023.

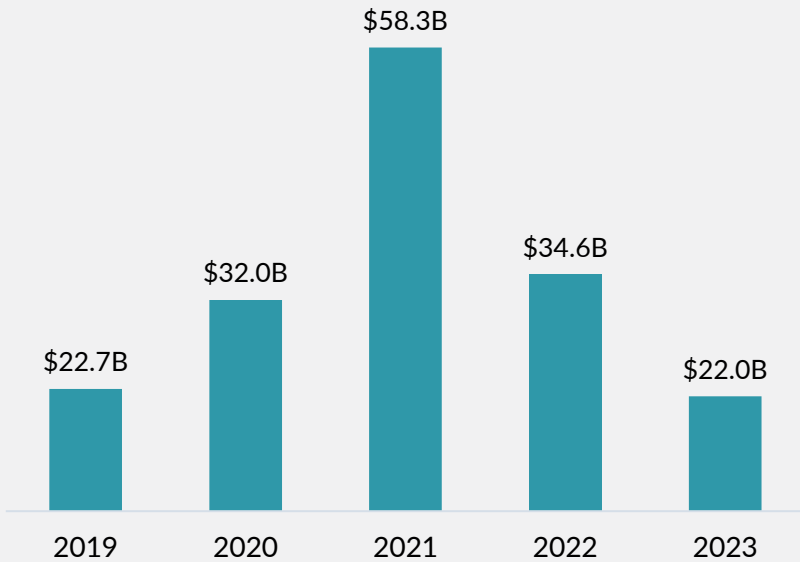
Region	Total Funding (YoY % change)
North America	\$15.4B (-29%) ↓
Europe	\$3.1B (-41%) ↓
APAC	\$2.8B (-53%) ↓
Middle East	\$533M (-55%) ↓
Africa	\$114M (-17%) ↓
South America	\$56M (-81%) ↓↓



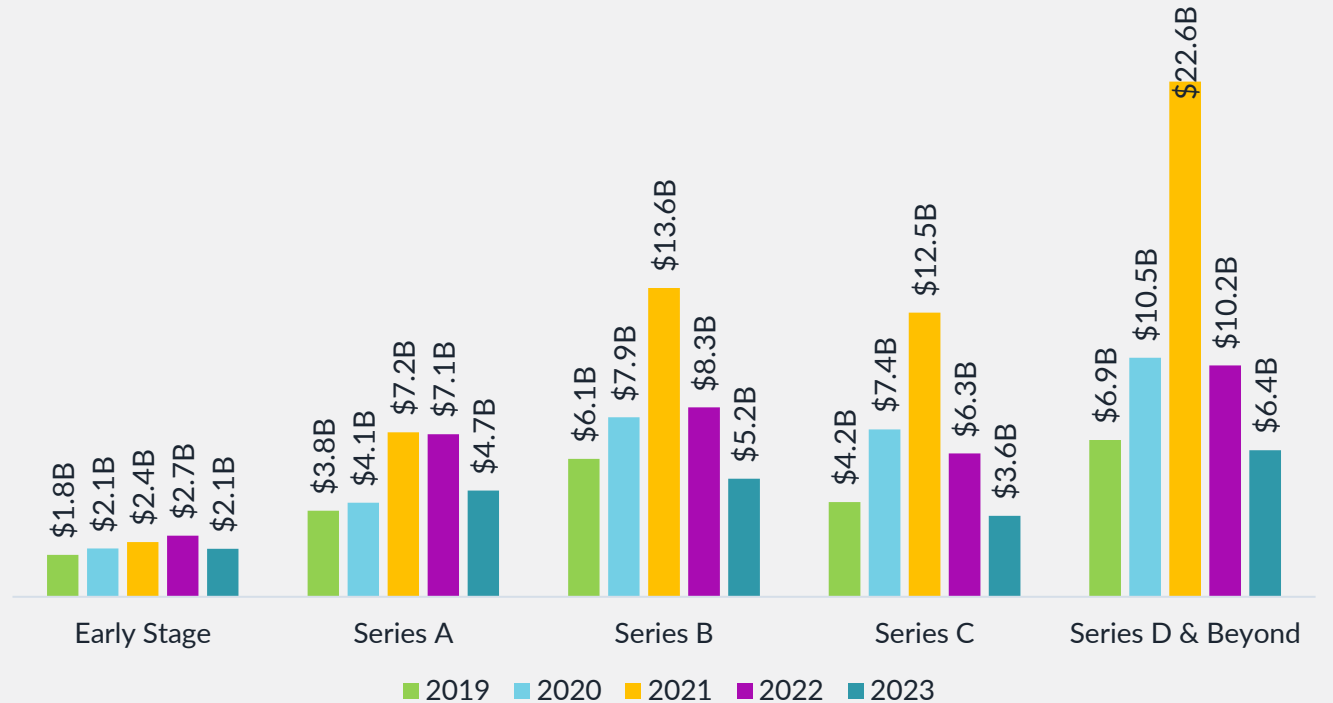
# 2023 Funding Falls to a 5-Year Low

With high hopes that venture funding in Digital Health had stabilized after 2022, the decline continued throughout 2023 to reach an annual 5-year low. A closer look at the year-on-year development of funding value by funding stages reveals that funding in all stages failed to achieve the 2022 value by at least 20%.

Global Venture Funding Value , Year-on-Year



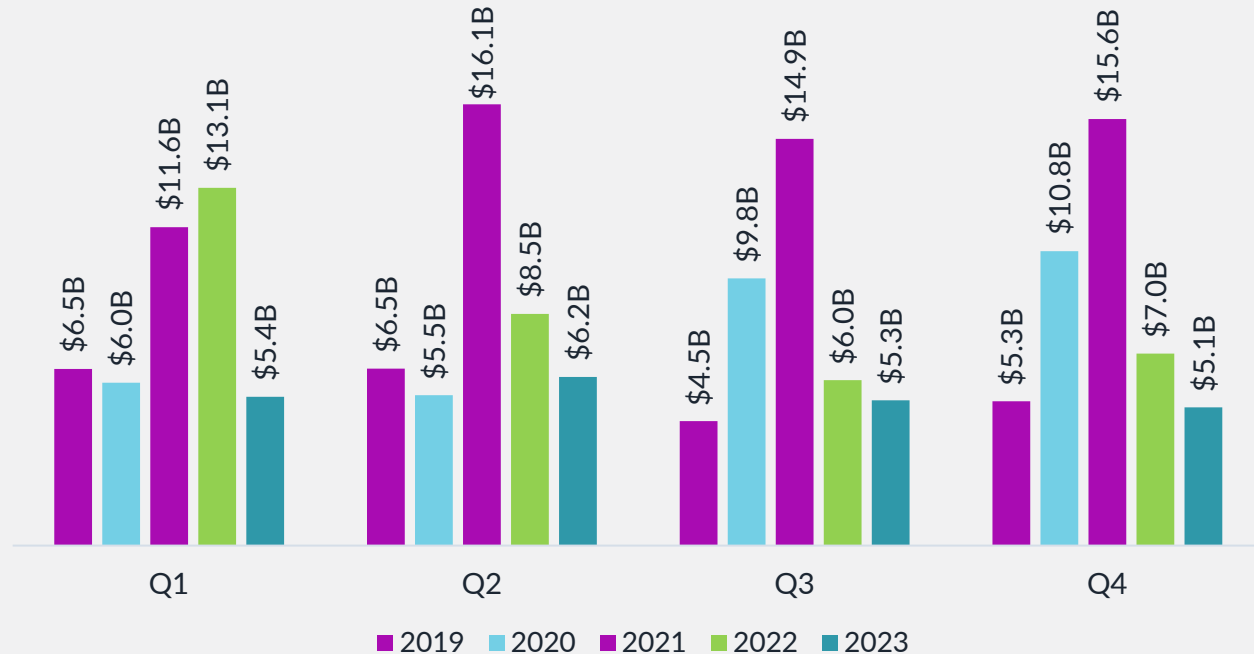
Annual Venture Funding Value by Funding Round



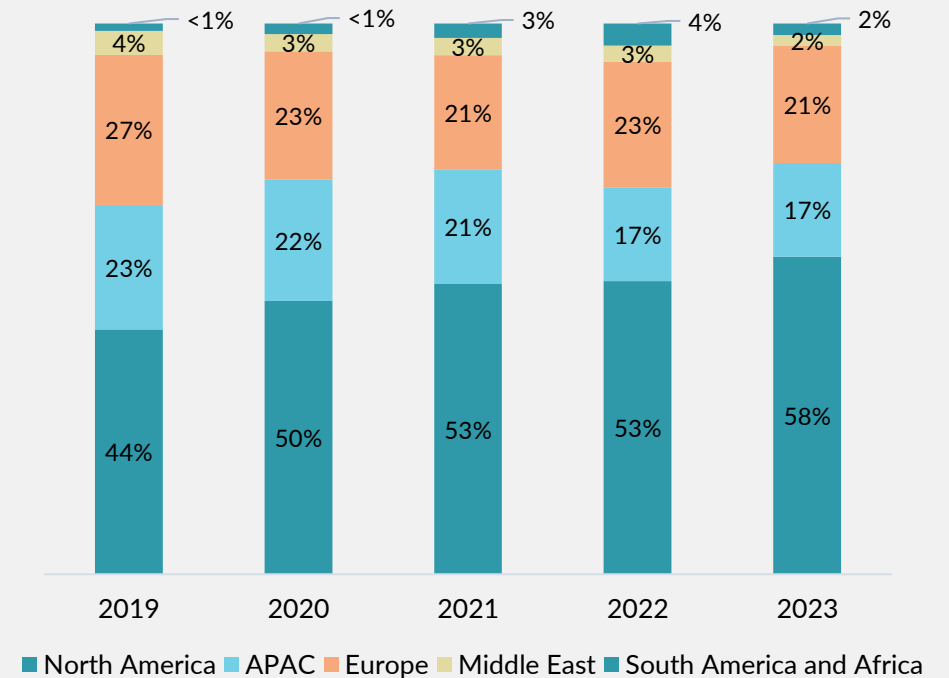
# Digital Health Funding History

The quarter-on-quarter trend for global funding shows that venture funding was low, but relatively stable across 2023. Ongoing geopolitical and economic uncertainty along with the closure of venture funds for Digital Health (ex. [OpenView](#)) does not indicate that venture funding in 2024 will improve in the short term.

Cumulative Venture Capital Funding (2019 - 2023)

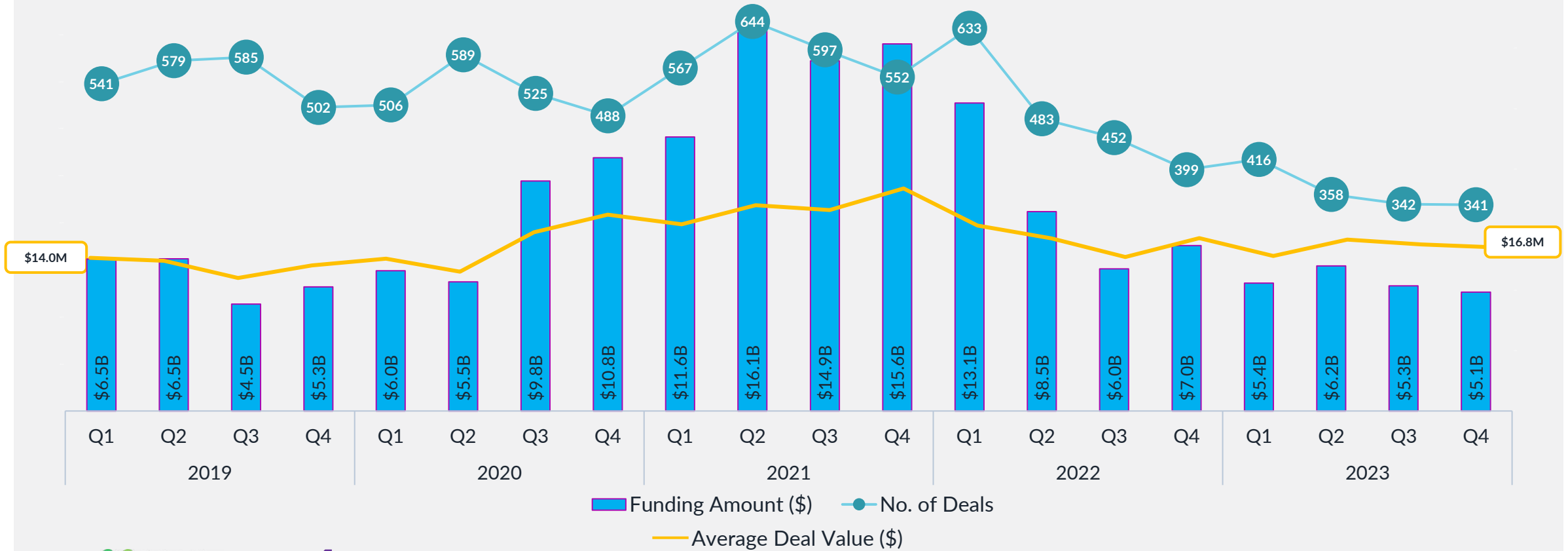


Share of Investment Volume (2019 - 2023)



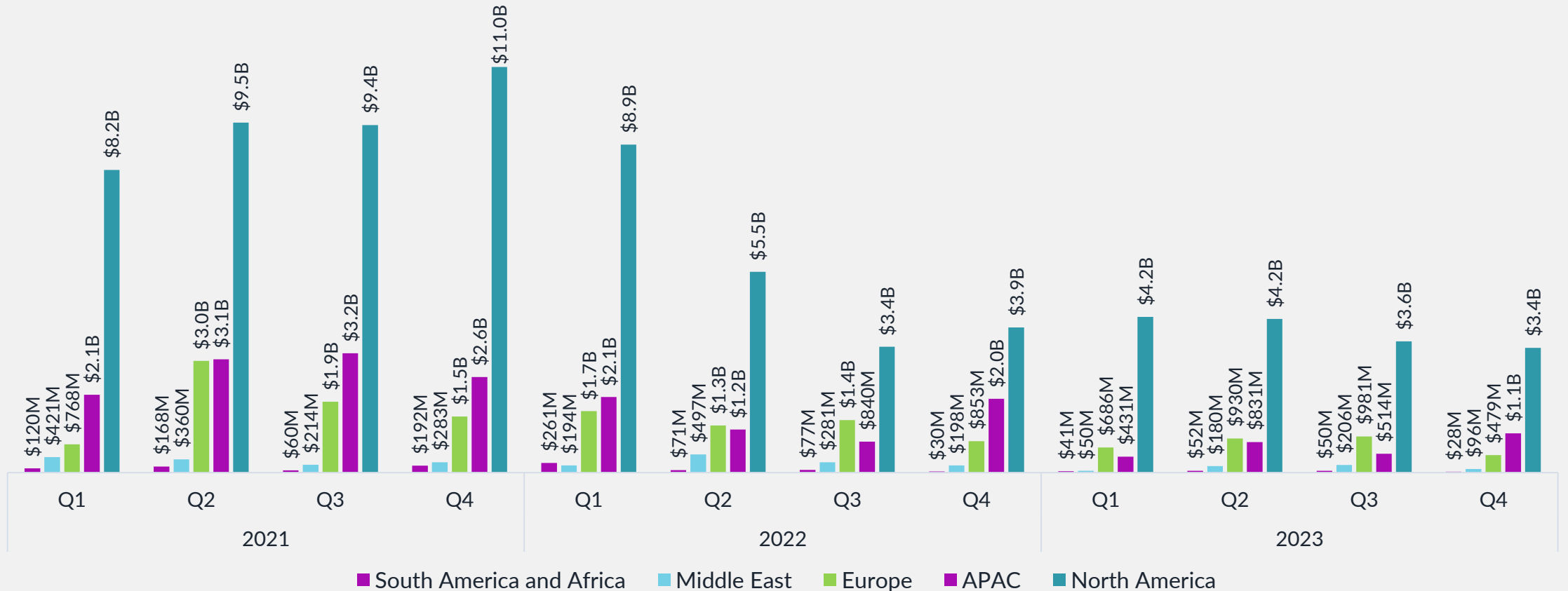
# QoQ Digital Health Funding History

The number of venture investment deals in Q4 2024 dipped to the lowest count since the beginning of 2019, while the average deal value has increased by 20% in this timeframe. Despite the lack of venture funding, the average deal size has remained stable over 2023.



# QoQ Digital Health Regional Funding History

While North America experienced a continuous QoQ decline in Digital Health venture funding value in 2023, funding in Europe crept upward across the first 3 quarters of the year, although the cumulative 2023 funding remained 41% lower than in 2022. Funding in Asia Pacific surged in Q4, which is typical for the region.





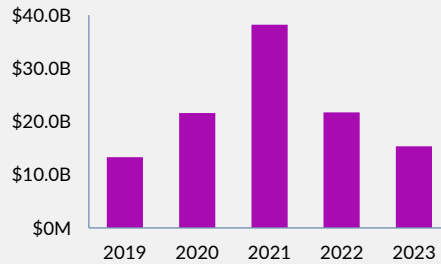
# Digital Health Funding Across Regions, 2019-2023

## North America

Cumulative Venture Capital Investment  
2019 - 2023

**\$110.1B**

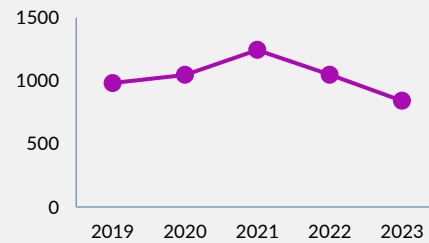
Funding by Year,  
2019 - 2023



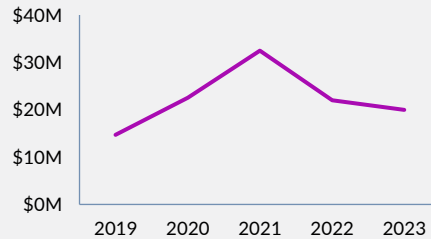
Cumulative Venture Capital Deal Volume  
2019 - 2023

**5158 Deals**

Deal Volume by Year,  
2019 - 2023

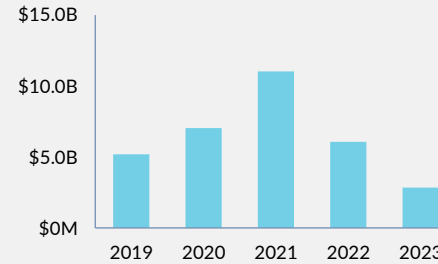


Average Deal Size,  
2019 - 2023

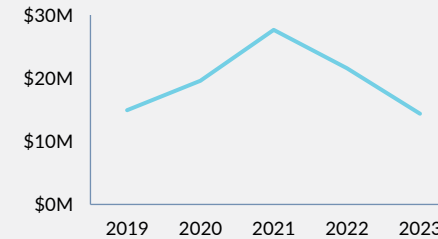
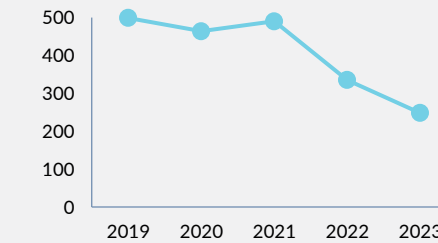


## Asia Pacific

**\$32.2B**

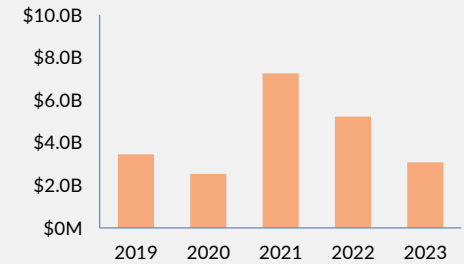


**2036 Deals**

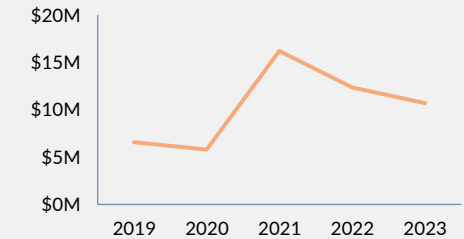
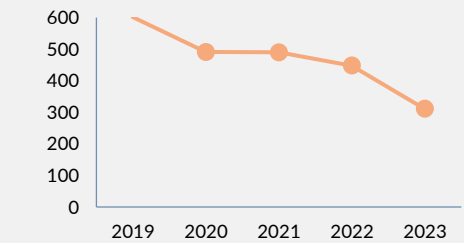


## Europe

**\$21.6B**



**2342 Deals**

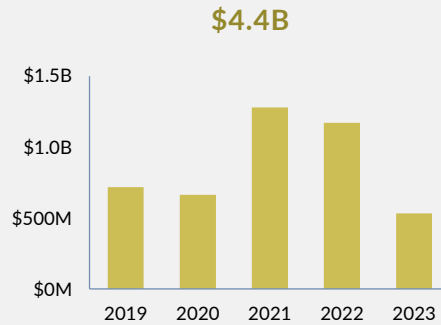


# Digital Health Funding Across Regions, 2019-2023

## Middle East

Cumulative Venture Capital Investment  
2019 - 2023

Funding by Year,  
2019 - 2023

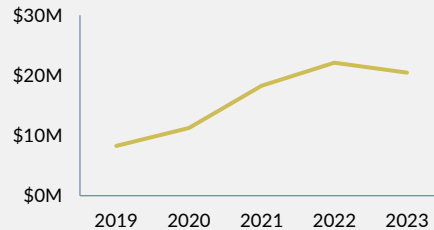


Cumulative Venture Capital Deal Volume  
2019 - 2023

Deal Volume by Year,  
2019 - 2023

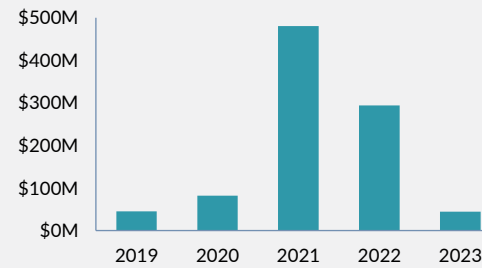


Average Deal Size,  
2019 - 2023

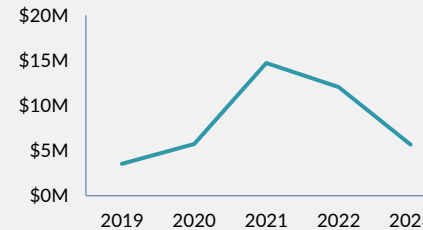
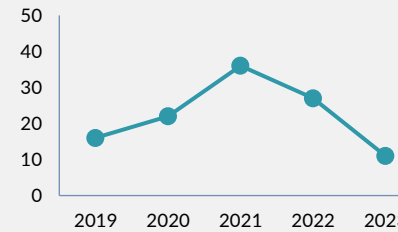


## South America

**\$1.0B**

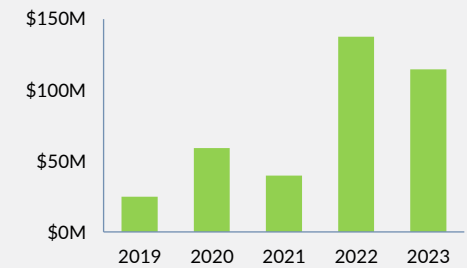


**112 Deals**

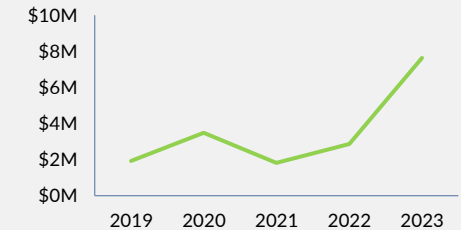
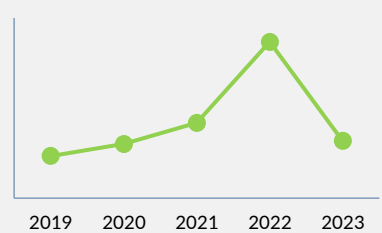


## Africa

**\$376M**



**128 Deals**

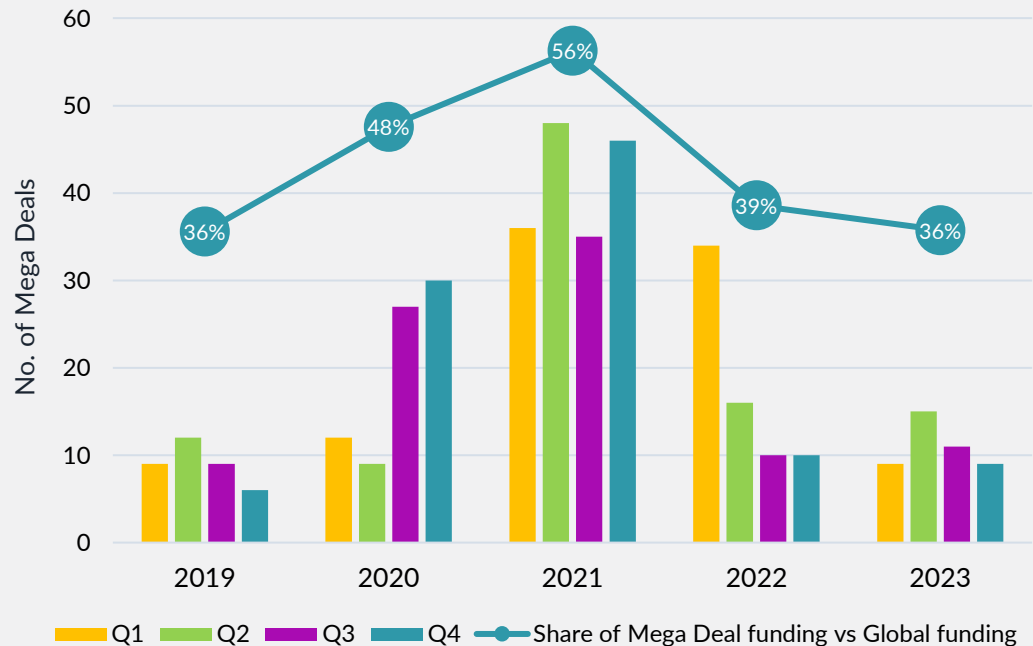


# Large Funding Events

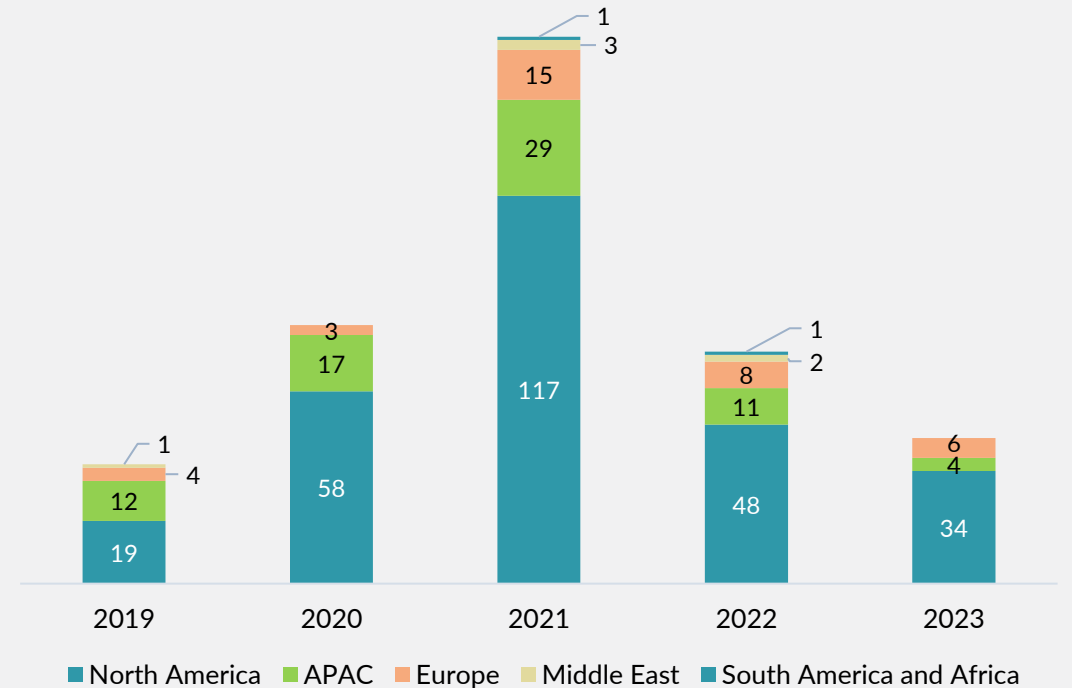
With strong geopolitical and economic headwinds, and the lack of exits impacting investor appetite, Mega Deal ( $\geq \$100M$ ) volume remained low in 2023.

North America continues to dominate the Mega Deals across the globe, with a 79% share of these deals in 2023.

Historical Volume of Mega Deals

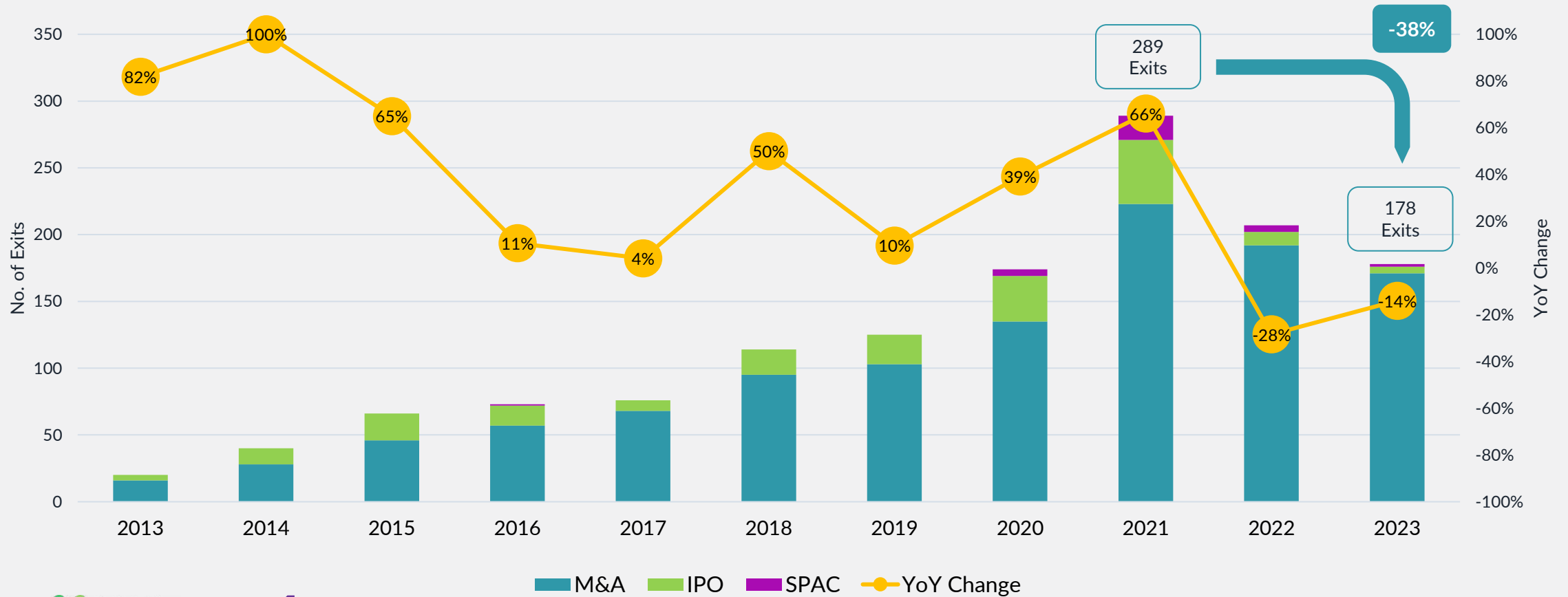


Regional Distribution of Mega Deals



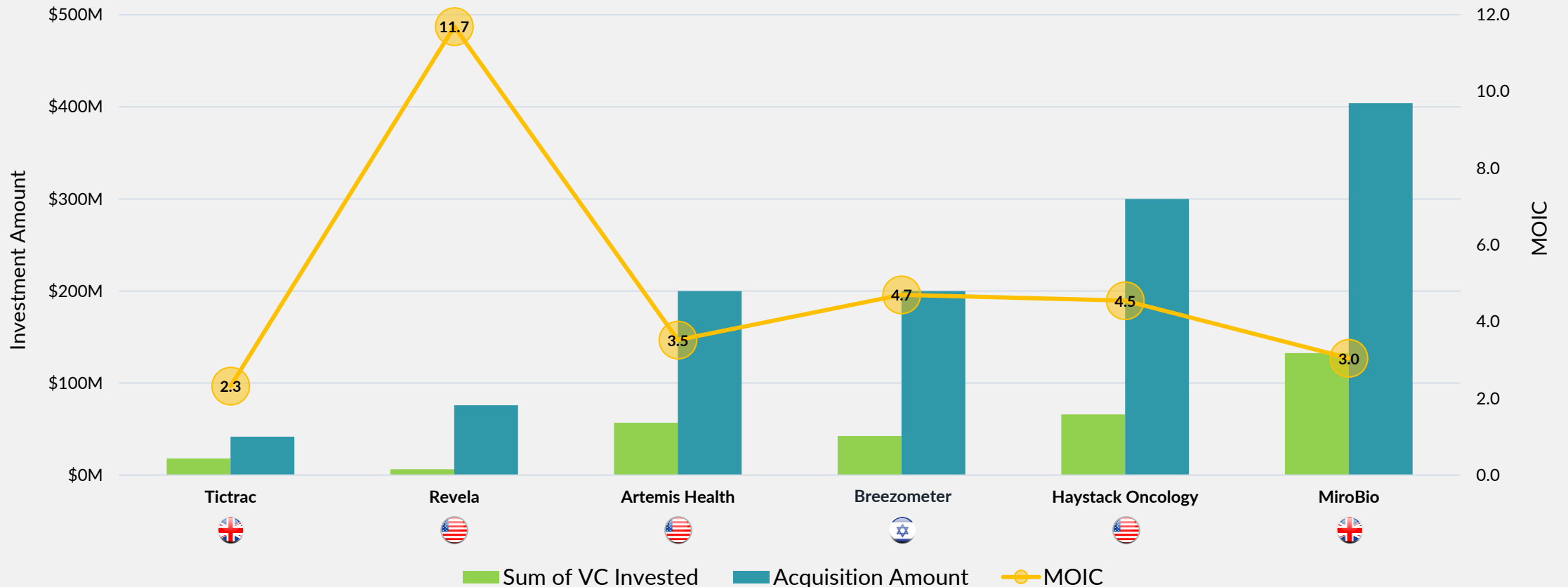
# Global Digital Health Venture Exit History

The past decade has seen a total of 1,320 Digital Health venture exit transactions worldwide. Venture exit deals increased over the years since 2013 and peaked in 2021, with a total of 289 exit deals reported in 2021 alone. Comparing the peak in 2021 against exit deals within 2023, exit volume has decreased by 38%. In 2023, a total of 178 exits were reported (171 M&As, 5 IPOs and 2 SPAC).



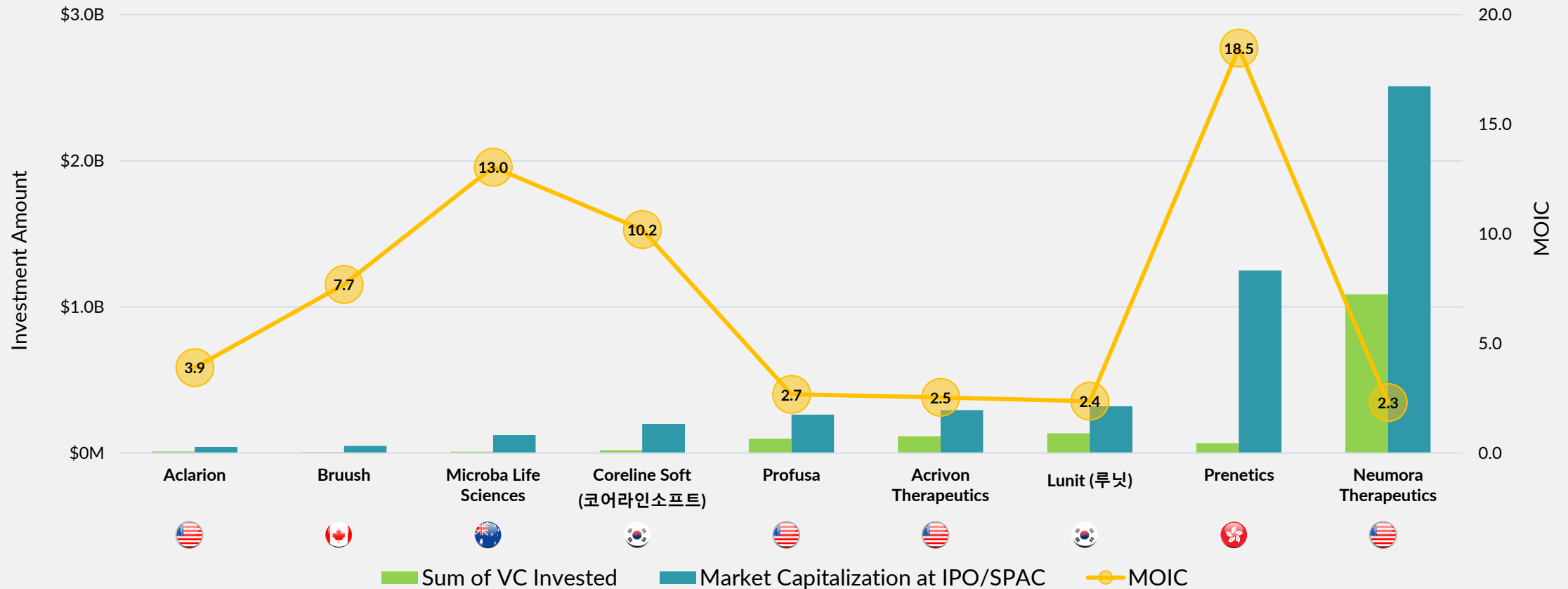
# MOIC: Large M&A Exits, 2022-2023 YTD, Global

Considering the total sum of venture capital invested versus acquisition value for selected ventures acquired in 2022 and 2023, the median indicative Multiple on Invested Capital (MOIC) of the ventures listed below is 4.1. Ventures that went public before their acquisition are not included in this analysis.



# MOIC: IPO and SPAC, 2022-2023 YTD, Global

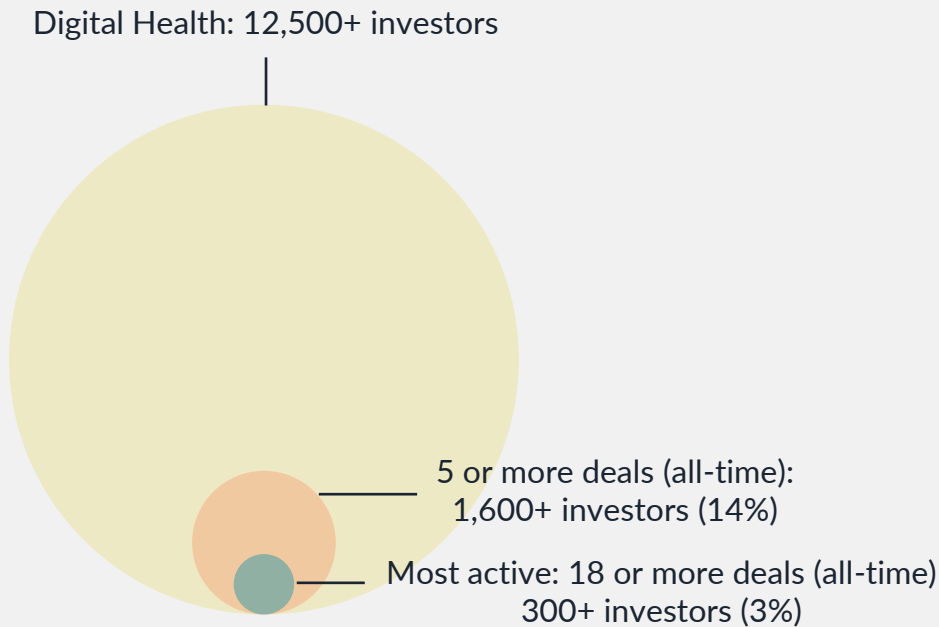
The chart below features selected ventures which publicly listed via IPO and SPAC in 2022 and 2023. For these ventures, the MOIC is represented by the ratio of Market Capitalization at IPO or SPAC to Total Venture Capital Investment.



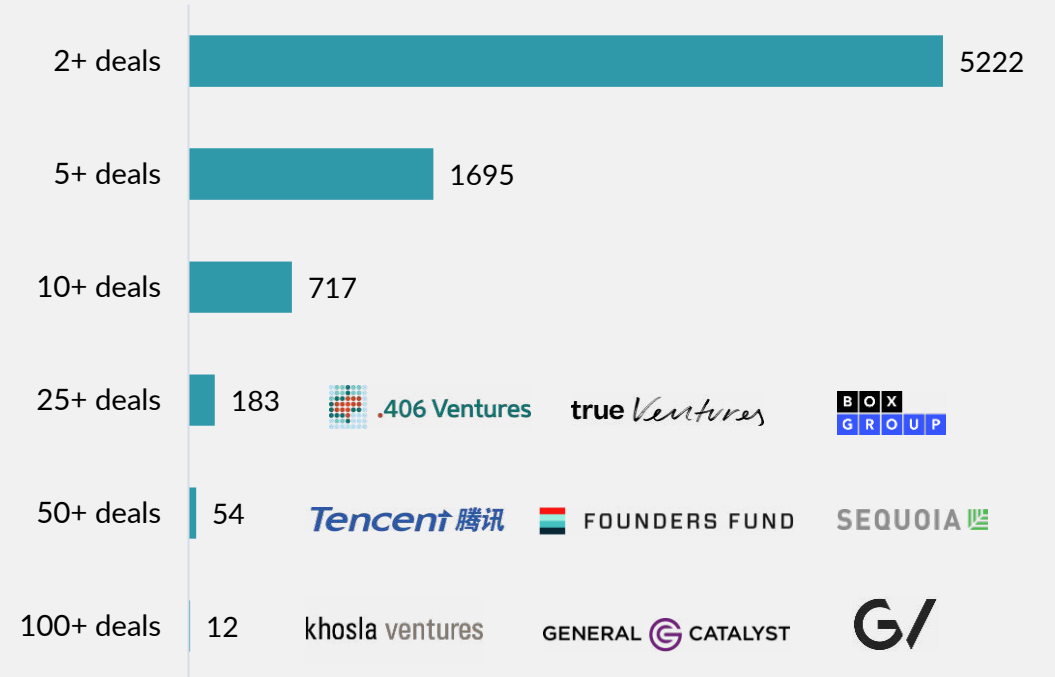
# Global Digital Health Investor Participation

Globally, more than 12,500 investors have participated in a least one funding deal in Digital Health within the past 15 years. Since 2019, more than 5,200 investors have participated in at least two funding deals, while 717 have participated in 10 or more deals.

## Global Analysis of Digital Health Investors



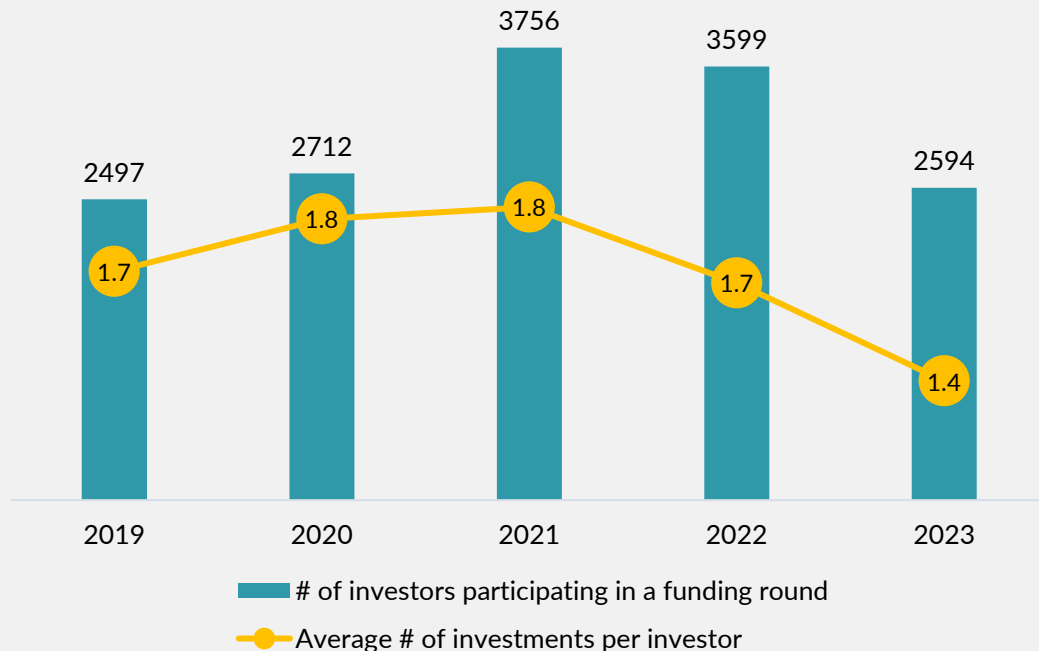
## Global Deal Participation (2019 - 2023) Number of unique investors by cumulative investment count



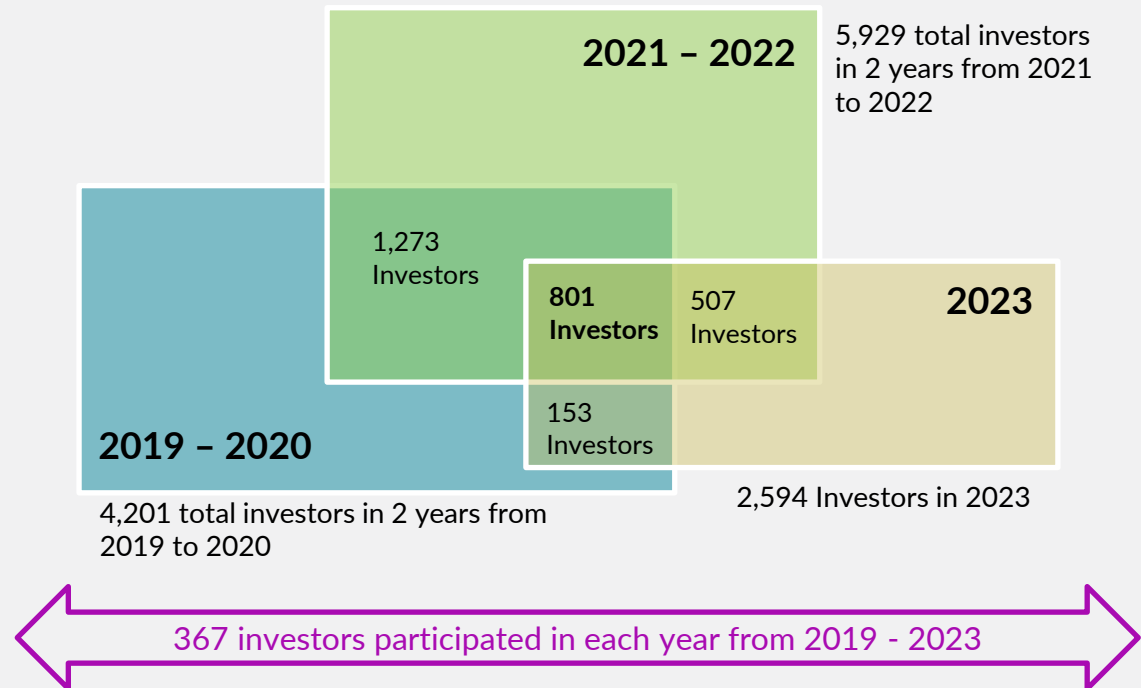
# Global Digital Health Investor Participation

The count of investors that have participated in at least 1 deal in Digital Health in a calendar year reached more than 3,756 investors in 2021, but 2023 saw many investors turning their backs to Digital Health, with a decrease in investor count of 28% from 2022, leaving only 2594 investors participating in 1457 deals. With a total of over 9,100 investors from 2019 – 2023, 28% of these investors participated in rounds in 2023, and only 4% of those investors have participated in rounds in each of the past 5 years.

Count of Investor Participation by Year



Recurring Investor Participation (2019 – 2023)  
Overlap indicates investors participating in multiple time periods

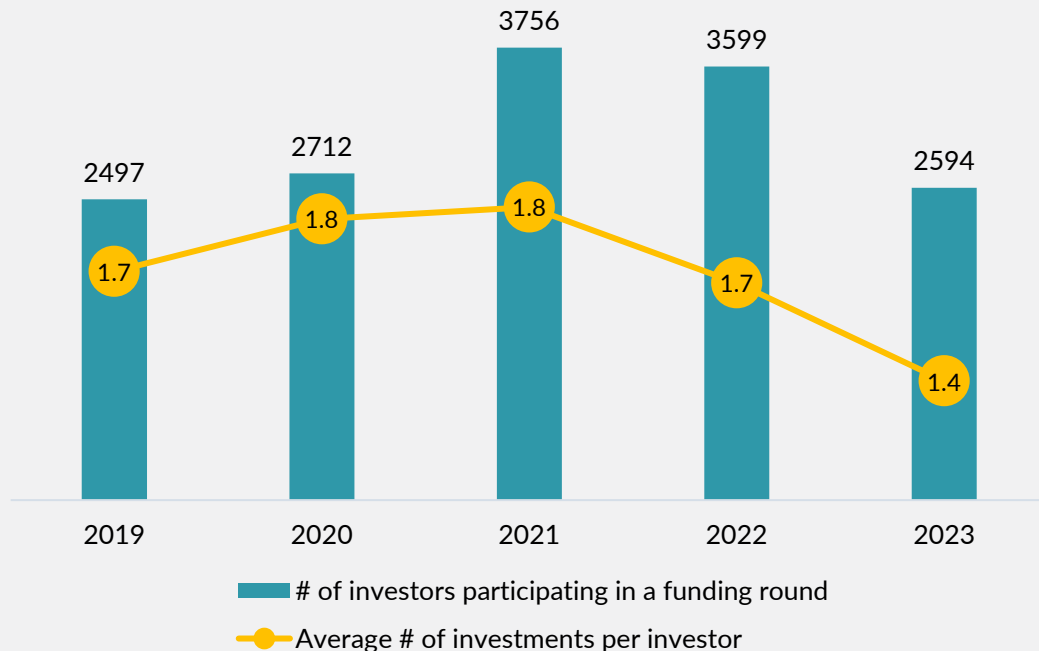




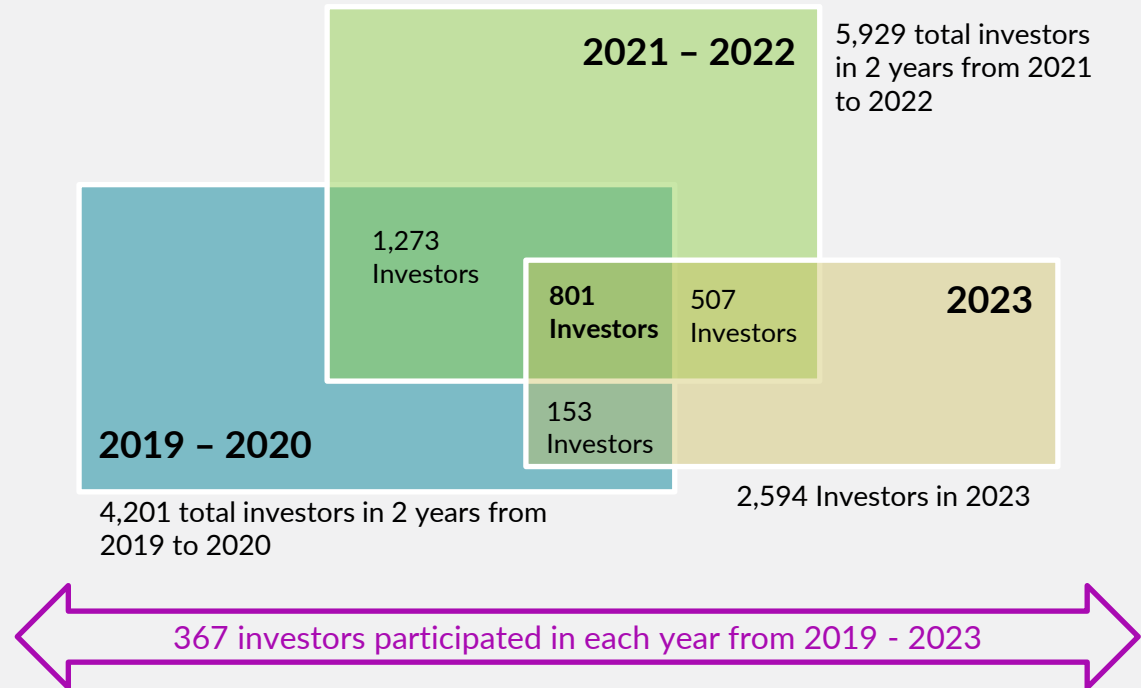
# Global Digital Health Investor Participation

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Count of Investor Participation by Year



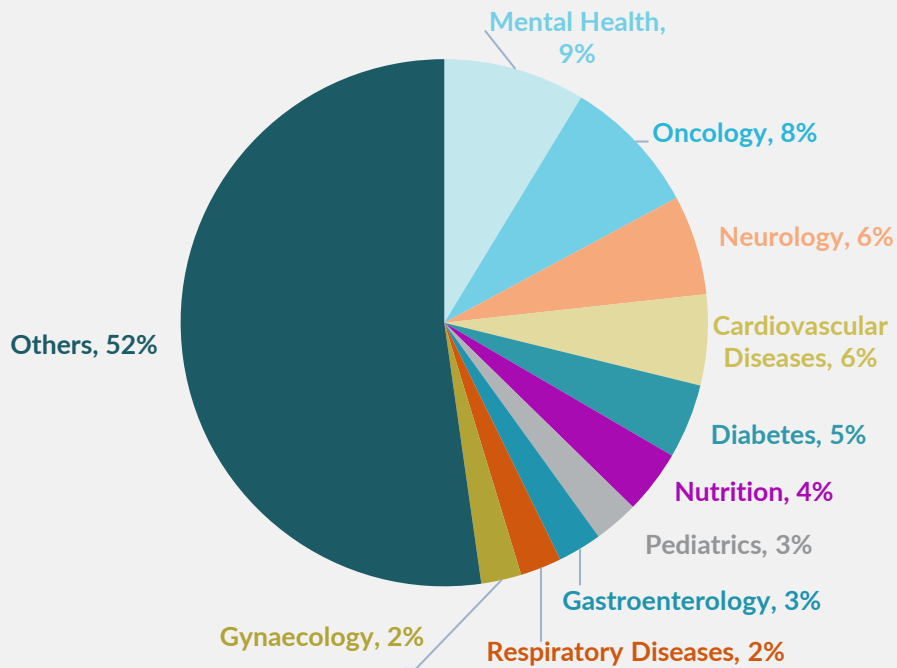
Recurring Investor Participation (2019 – 2023)  
Overlap indicates investors participating in multiple time periods



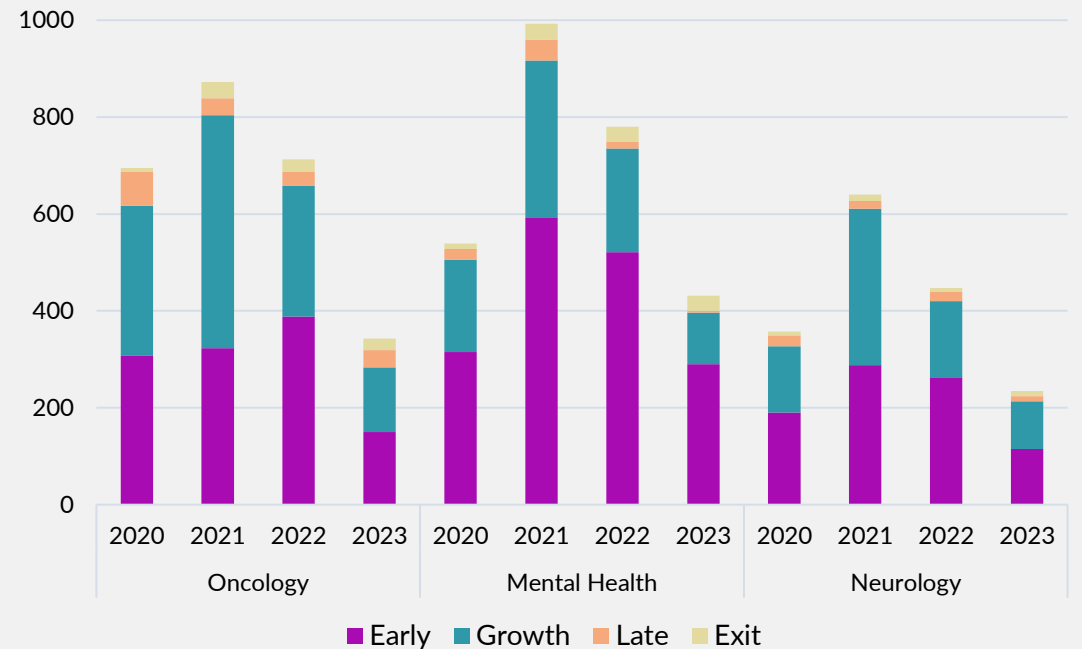
# Investor Participation by Therapeutic Area

Within the disease-specific investment landscape, Mental Health saw the highest participation of investors (9%), followed by Oncology (8%) and Neurology (6%). Each of the top 3 disease areas witnessed a steep decline in the number of investment rounds from 2022 to 2023.

Investor Volume Share (2019 - 2023) by Therapeutic Area



Annual Investment Volume for Top 3 Therapeutic Areas



# Cluster Focus

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Global 2023 Year End



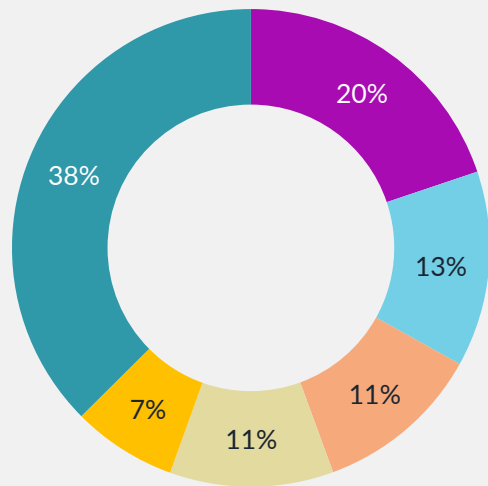
# Galen Growth's Digital Health Taxonomy™

<p><b>Health Management Solutions</b></p> <ul style="list-style-type: none"> <li>EHR / PHR</li> <li>Hospital</li> <li>Pharmacy</li> <li>Physician / Clinic</li> <li>Prescriptive Analytics</li> </ul>	<p><b>Health Services Search</b></p> <ul style="list-style-type: none"> <li>Healthcare Navigation</li> <li>Medical Concierge</li> <li>Medical Tourism</li> <li>Triage</li> </ul>	<p><b>Health InsurTech</b></p> <ul style="list-style-type: none"> <li>Health Claim Management</li> <li>Health Insurance</li> <li>Medical Payments</li> </ul>	<p><b>Medical Diagnostics</b></p> <ul style="list-style-type: none"> <li>Diagnosis Tools</li> <li>Medical Imaging</li> <li>Omics Related Diagnosis</li> </ul>	<p><b>Medical Education</b></p> <ul style="list-style-type: none"> <li>Consumer Education</li> <li>HCP Education</li> <li>Health Information Platform</li> </ul>	<p><b>Online Health Communities</b></p> <ul style="list-style-type: none"> <li>Other HCP Networks</li> <li>Patient Health Forums</li> <li>Physician Networks</li> </ul>	<p><b>Online Marketplace</b></p> <ul style="list-style-type: none"> <li>Consumer Marketplace</li> <li>On-demand Lab Tests</li> <li>Online Pharmacy</li> <li>Professional Marketplace</li> </ul>
<p><b>Patient Solutions</b></p> <ul style="list-style-type: none"> <li>Digital Therapeutics</li> <li>Disease Management</li> <li>Health / Symptom Checker</li> <li>Medication Management</li> </ul>	<p><b>Population Health Management</b></p> <ul style="list-style-type: none"> <li>Care Coordination</li> <li>Corporate Health</li> <li>Home Healthcare</li> <li>Integrated Solutions</li> </ul>	<p><b>Remote Devices</b></p> <ul style="list-style-type: none"> <li>Assistive Care</li> <li>Remote Diagnostic Devices</li> <li>Remote Monitoring Devices</li> </ul>	<p><b>Research Solutions</b></p> <ul style="list-style-type: none"> <li>Bioinformatics</li> <li>Drug Discovery</li> <li>Omics Related Research</li> </ul>	<p><b>Clinical Trials</b></p> <ul style="list-style-type: none"> <li>Decentralized Clinical Trials</li> <li>Clinical Trial Matching</li> <li>Data Collection Tools</li> </ul>	<p><b>Telemedicine</b></p> <ul style="list-style-type: none"> <li>Teleconsultation</li> <li>Telepathology</li> <li>Teleradiology</li> <li>Telesurgery</li> </ul>	<p><b>Veterinarian</b></p> <ul style="list-style-type: none"> <li>Animal Health Forums</li> <li>Animal Imaging</li> <li>Animal Monitoring</li> <li>Omics Related Veterinary</li> <li>Televeterinary</li> </ul>
<p><b>Wellness</b></p> <ul style="list-style-type: none"> <li>Omics Related Applications</li> <li>Smart Equipment</li> <li>Wearables</li> <li>Wellness Apps</li> <li>Wellness Information Platform</li> </ul>	<p><b>Safety &amp; Security</b></p> <ul style="list-style-type: none"> <li>Counterfeit Tracking</li> <li>Cybersecurity</li> <li>Pharmacovigilance</li> </ul>	<p><b>Healthcare Logistics</b></p> <ul style="list-style-type: none"> <li>Transportation Management</li> <li>On-demand Delivery</li> </ul>	<p><b>Others</b></p> <ul style="list-style-type: none"> <li>Contamination Management</li> <li>HCP Job Board</li> <li>Healthcare Marketing</li> <li>Social Enterprise</li> <li>Software Provider</li> </ul>	<div style="border: 1px solid #ccc; border-radius: 15px; padding: 10px;"> <p><b>Cluster</b></p> <ul style="list-style-type: none"> <li>Category</li> </ul> </div>		

# Venture Funding in Key Digital Health Clusters

The Research Solutions and Health Management Solutions clusters captured 33% of the total funding value deployed in 2023. Boosted by Mega Deals, the top 5 funded clusters represented 62% of the total value of invested capital in 2023.

**Top Funded Digital Health Clusters (2023)  
by Investment Value Share**

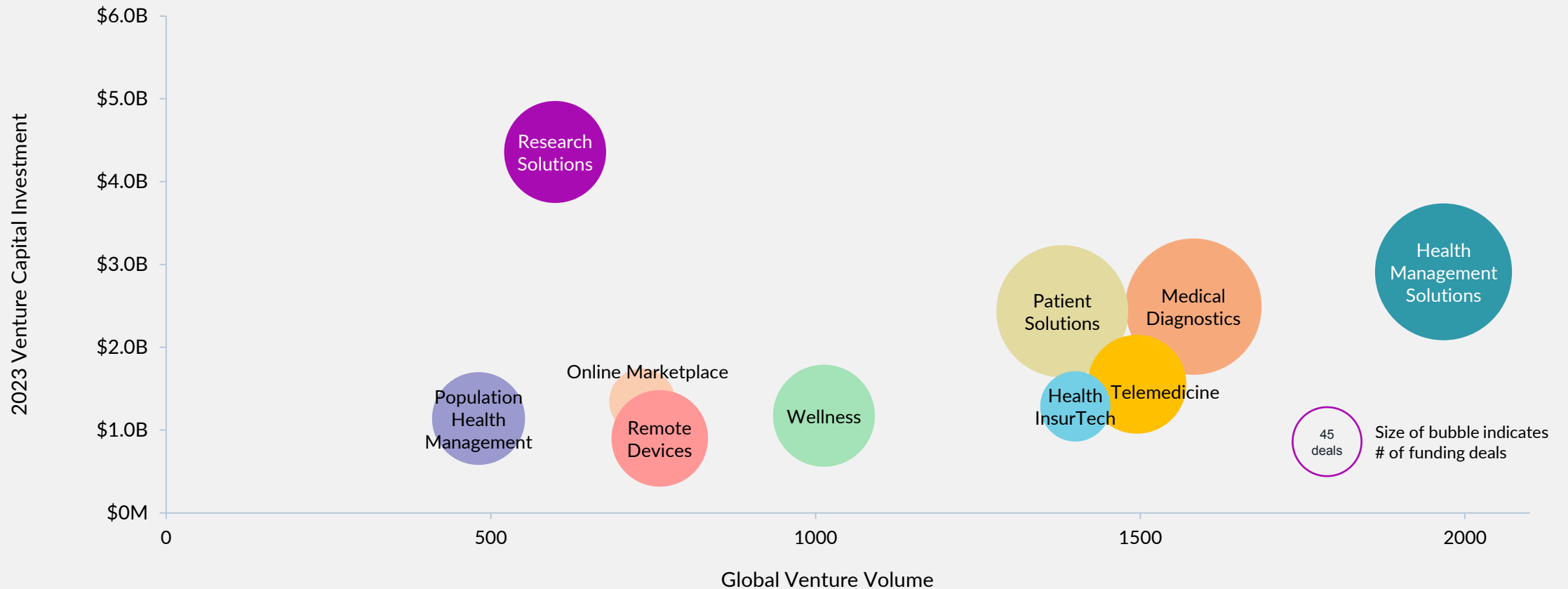


- Research Solutions
- Medical Diagnostics
- Telemedicine
- Health Management Solutions
- Patient Solutions
- Other Digital Health Clusters

	Digital Health Cluster	Total Funding in 2023	Rank in 2022	Largest Deal in 2023
1	 Research Solutions	\$4.36B	#1	<u>Phenomic AI</u> \$509M (Strategic)
2	 Health Management Solutions	\$2.91B	#3	<u>Aledade</u> \$260M (Series F)
3	 Medical Diagnostics	\$2.49B	#2	<u>HeartFlow</u> \$215M (Series F)
4	 Patient Solutions	\$2.44B	#4	<u>Monogram Health</u> \$375M (Series C)
5	 Telemedicine	\$1.55B	#6	<u>Distalmotion</u> \$150M (Series F)

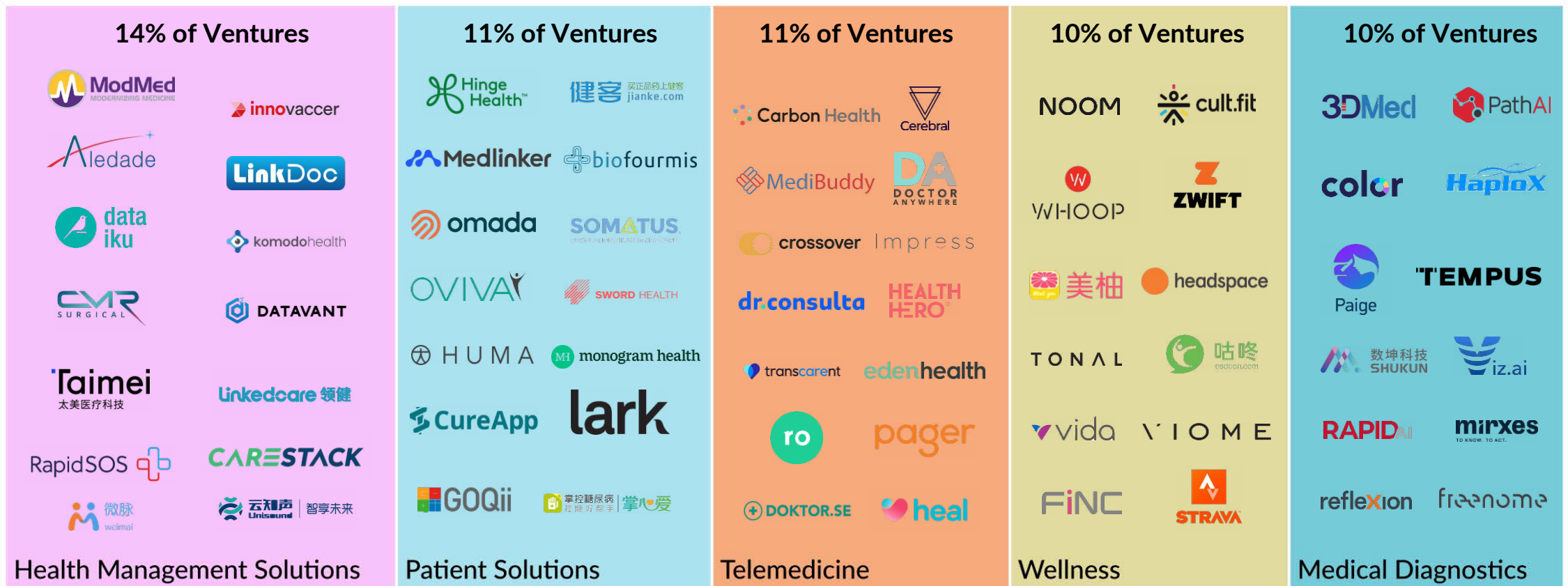
# 2023 Top 10 Digital Health Clusters by Venture Funding Value

In 2022 and 2023, Research Solutions stood out by securing the most significant portion of funding, despite ranking only 9th in global venture volume. Health Management Solutions, the largest cluster, also attracted the highest investment volume, although it ranked second in total venture capital.



# Top Ventures in Key Clusters

Health Management Solutions, accounting for 14% of private Digital Health ventures worldwide, is the cluster with the highest number of ventures, closely followed by Patient Solutions and Telemedicine at 11% each.

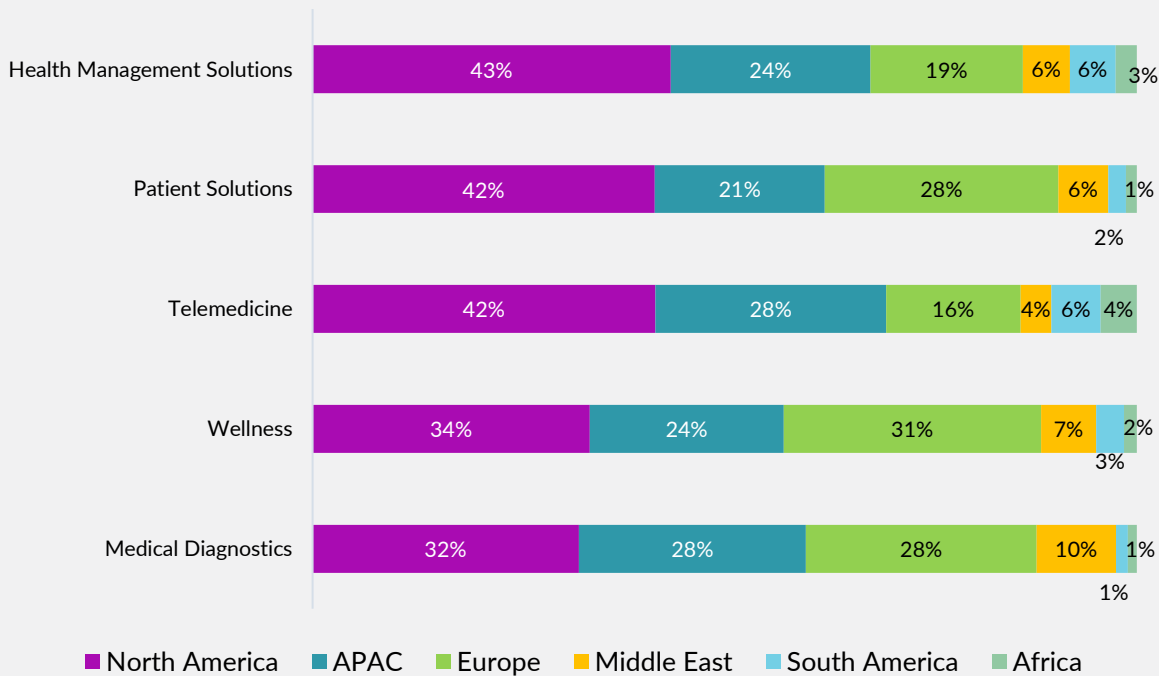


Note: Ventures may be classified in more than 1 cluster

# Global Venture Distribution by Clusters

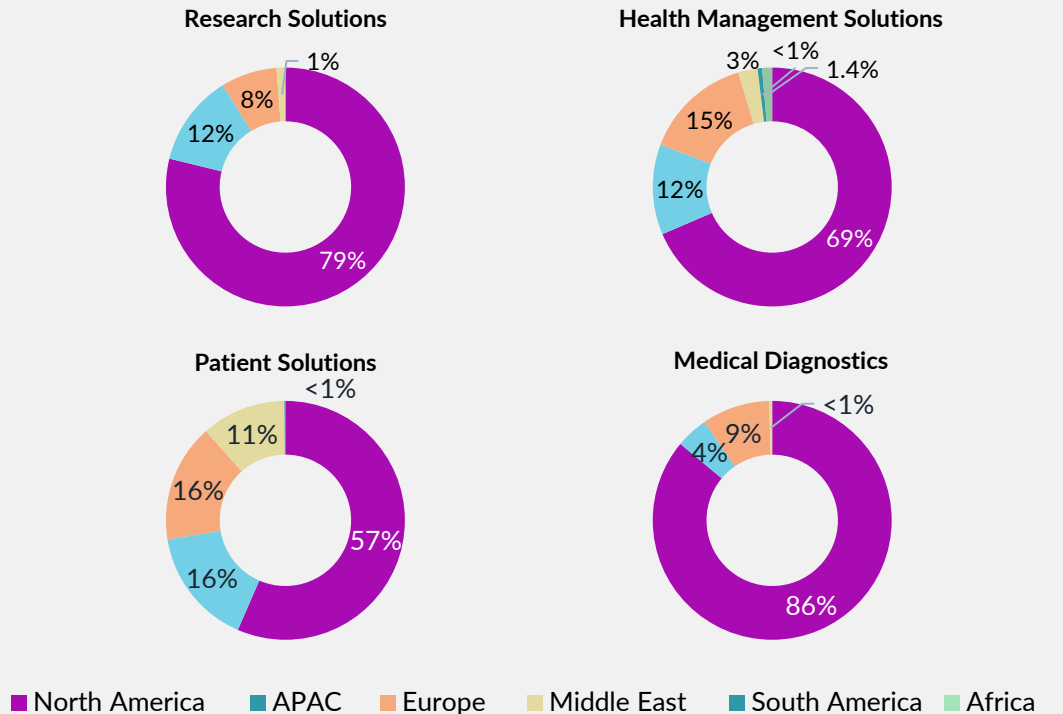
Funding across the largest 4 Digital Health Clusters is dominated by venture founded in North America, while the distribution of venture volume is more balanced between the top 3 global regions. Mostly driven by Israel, the Middle East delivers 10% of the venture volume in the Medical Diagnostics cluster.

Share of Cluster Venture Volume by Region



Note: Venture distribution shown by Primary Cluster

Share of Funding for Top Funded Digital Health Clusters in 2023 by Region





# Therapeutic Focus

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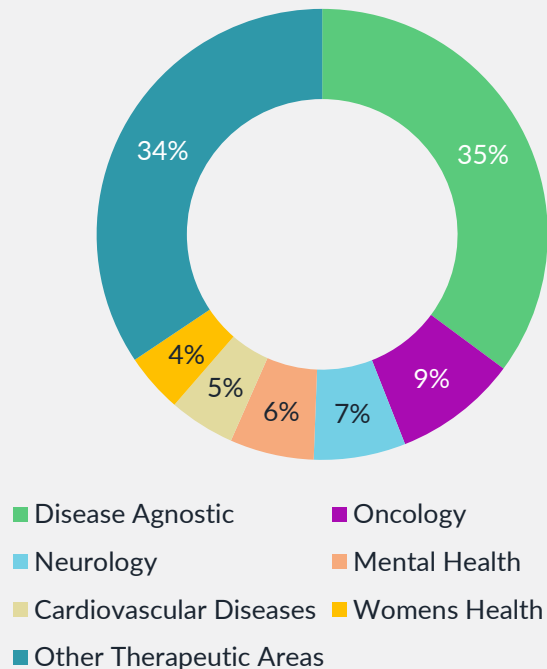
Global 2023 Year End



# Venture Funding in Key Therapeutic Areas

Driven largely by a \$509M investment in Toronto-founded venture [Phenomic.AI](#), Oncology maintained its top position as the most invested therapeutic area in 2023. Neurology captured the second place, up from #5 in 2023.

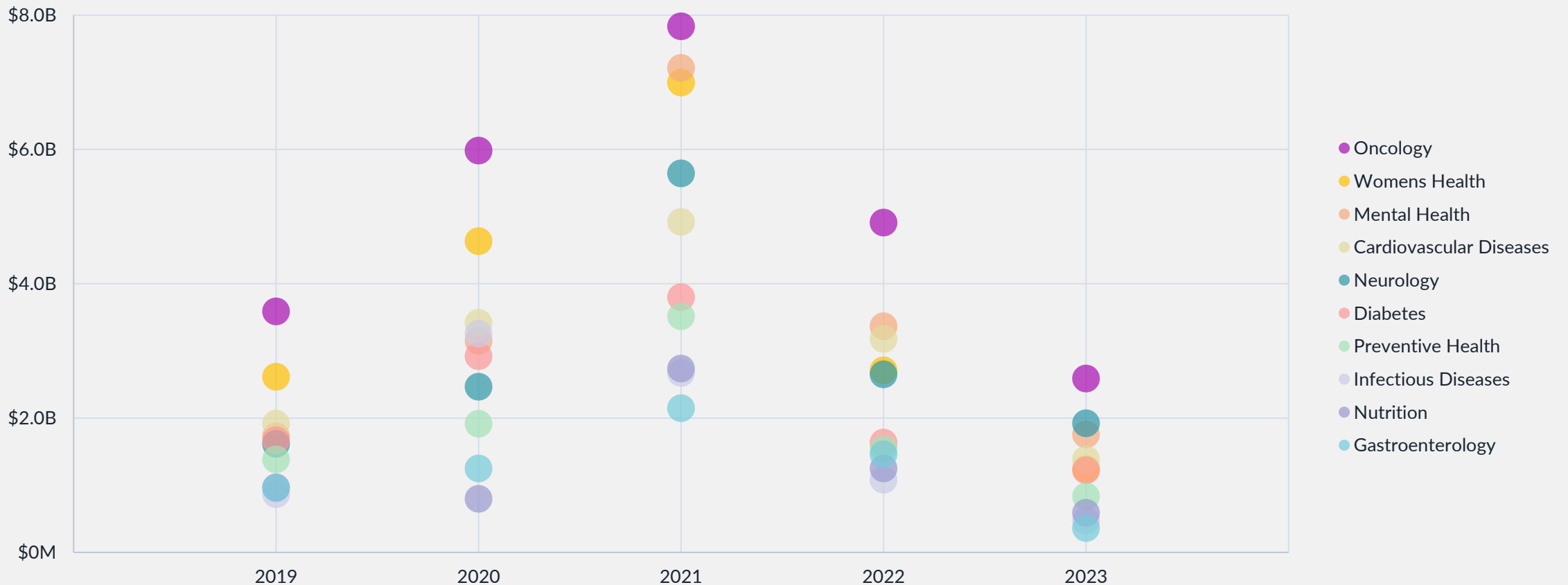
Top Funded Therapeutic Areas (2023)



Therapeutic Areas	Total Funding in 2023	Rank in 2022	Largest Deal in 2023
1  Oncology	\$2.58B	#1	<u>Phenomic AI</u> \$509M (Strategic)
2  Neurology	\$1.92B	#5	<u>Neumora Therapeutics</u> \$474M (Series C)
3  Mental Health	\$1.75B	#2	<u>Headway</u> \$125M (Series C)
4  Cardiovascular Diseases	\$1.38B	#3	<u>HeartFlow</u> \$215M (Series F)
5  Women's Health	\$1.23B	#4	<u>Kindbody</u> \$100M (Series E)

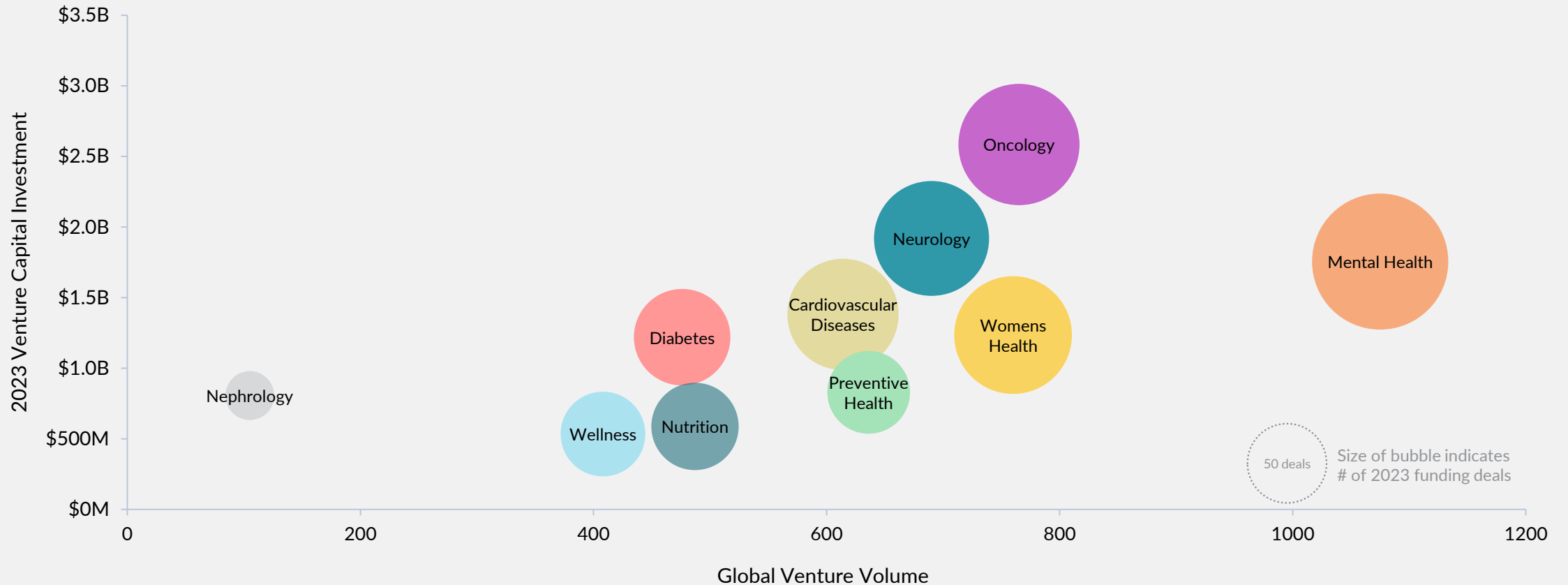
# Top 10 Therapeutic Areas by Venture Funding Value, 2019 – 2023

Funding in Oncology ventures dropped by 47% to \$2.6B in 2023 compared to \$4.9B invested in 2022. Neurology funding values beat the 2019 levels by 19%, and the funding for Mental Health ended 2023 on par with the funding levels from 2019 at \$1.7B.



# 2023 Top 10 Therapeutic Areas by Venture Funding Value

Mental Health remains the therapeutic area with the largest number of ventures, and it captured the most funding deals in 2023. With \$2.5B of disclosed funding value in 2023, ventures with solutions for Oncology captured the top spot for funding and realized an average deal size of \$23M, compared to \$12M for Mental Health ventures.



# What's Next?

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Global 2023 Year End



# Regulations Continue to Progress for Digital Therapeutics

As France joins the list of countries with a Digital Therapeutics (DTx) reimbursement policy, the promise of Digital Therapeutics is on a slow march forward.

In the short term, the focus on DTx has been replaced by more urgent health system pain points of efficiency and a lack of personnel. Nonetheless, with the cost of healthcare skyrocketing and reaching well above 10% of GDP in many countries, the future of healthcare is on an unavoidable path with digitalization, and the maturing of products, ventures, and regulation must and will unavoidably continue.

First year of reimbursement for DTx	Selected Countries	Reimbursement Pathway	Regulatory Agency
2020	 Japan	Yes	PMDA
2020	 Germany	Yes	DiGA
2021	 Belgium	Yes	mHealth Belgium
2023	 France	Yes	PECAN
	Other EU countries	Limited	MDR
	UK	Limited	NICE / MHRA
	USA	Limited	FDA
	S. Korea	Limited	MFDS
	Australia	Limited	TGA
	Canada	No	Health Canada
	China	No	NMPA
	India	No	CDSCO

# So What's Next for Digital Health in 2024?

2023's economic uncertainty and continued geopolitical turmoil have led Digital Health to an inflexion point from hype to reality and evolving into a more mature ecosystem enabled by numerous factors:

**-33%** YoY decline of unique investors in 2023 indicates that the opportunistic investors who quickly entered the Digital Health sector during the pandemic have exited just as swiftly. The scarcity of Initial Public Offerings and a slump in Mergers & Acquisitions activity are stifling returns, thereby preventing the reinvestment of capital into new funding rounds, which will profoundly impact the 2024 funding levels.

**21%** of partnerships with Digital Health ventures were captured by health systems and healthcare providers, focusing on Digital Health innovation to boost capacity and enhance productivity amid rising demand, labour shortages, and labour costs. As health systems increasingly adopt artificial intelligence solutions, Digital Health ventures must prioritise interoperability and integration into larger platform solutions to compete with large IT players already embedded into the health systems.

**67%** of growth stage ventures across the globe have not raised funding in the past 18 months, which will inevitably lead to further bankruptcy and acquisition activity, as exemplified by the high-profile shutdowns of Pear Therapeutics (US), Olive.ai (US), and Babylon (UK) in 2023. Despite substantial funding and lofty valuations, these entities faltered due to unrealistic growth assumptions, setting a precedent likely to be echoed by similar shutdowns in 2024.

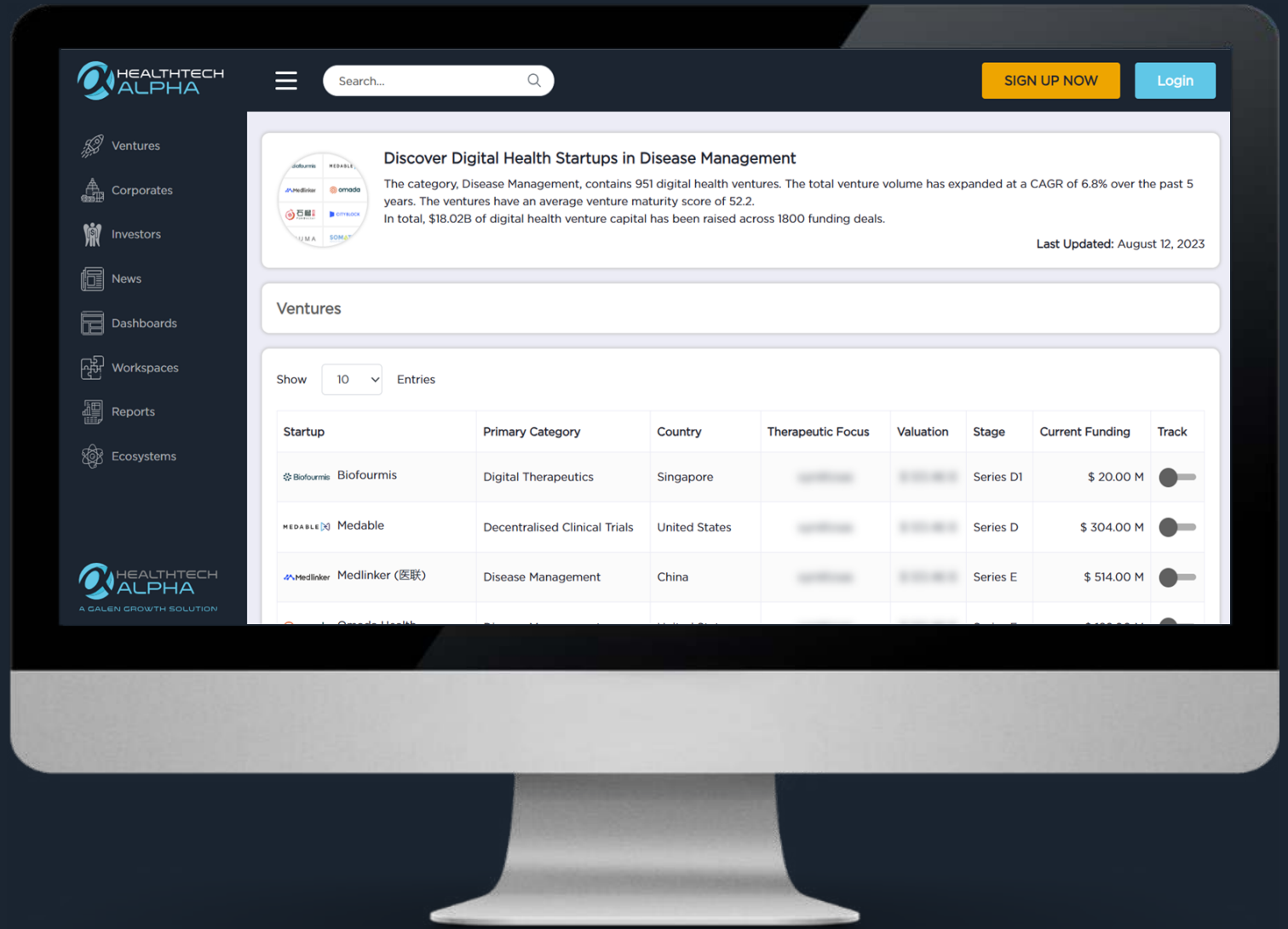
**4%** of the 170+ exit transactions in Digital Health in 2023 were IPOs or SPAC transactions, reaching a 5-year low. With the potential of declining interest rates in 2024, anticipation will build for a surge of IPOs that have been postponed in 2023 due to unfavorable market conditions. Despite investors being eager to realise returns, the fear of unprofitable IPOs and unstable geopolitical conditions will likely dampen any wave of new market entries across the globe.

The Digital Health ecosystem stands at a critical juncture as it enters 2024, recalibrating its trajectory amid funding challenges, notable setbacks, and a much-needed focused emphasis on addressing core healthcare challenges. The industry's resilience and adaptability will be tested as it navigates this transition from hype to pragmatic innovation, setting the stage for a dynamic and potentially transformative future.



Access all the data behind this report and conduct your own analysis

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# Noteworthy

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Global 2023 Year End



# Noteworthy Deals North America

Venture	Lead Investors	HQ Country	Category	Stage	Date	Deal Value (\$)
 <b>Phenomic AI</b>	 <b>Boehringer Ingelheim</b>	Canada	Drug Discovery, Omics Related Research	Strategic	11 / 2023	509M
 <b>Neumora Therapeutics</b>	 <b>Abu Dhabi Growth Fund</b>	United States	Bioinformatics, Omics Related Research	Series C	1 / 2023	474M
 <b>Monogram Health</b>	 <b>Memorial Hermann Health System, Cigna Ventures, Humana, and more</b>	United States	Disease Management	Series C	1 / 2023	375M
 <b>Zipline</b>	undisclosed	United States	On-demand Delivery	Series F	5 / 2023	330M
 <b>Generate Biomedicines</b>	 <b>MAPS Capital, NVentures, Pictet Alternative Advisors, and more</b>	United States	Drug Discovery, Omics Related Research	Series C	9 / 2023	273M

# Noteworthy Exits (M&A) North America

M&A						
Venture	Acquirer	HQ Country	Category	Date	Deal Value (\$)	
 <a href="#">Haystack Oncology</a>	 Quest Diagnostics	United States	Omics Related Diagnosis	5 / 2023	300M	
 <a href="#">Dialogue</a>	 Sun Life	Canada	Corporate Health, Teleconsultation	10 / 2023	182M	
 <a href="#">Cloudbreak Health</a>	 GTCR	United States	Teleconsultation	11 / 2023	180M	
 <a href="#">Revela</a>	 Oddity	United States	Omics Related Applications, Omics Related Research	4 / 2023	76M	
 <a href="#">Valence Discovery</a>	 Recursion	Canada	Drug Discovery	3 / 2023	47.5M	

# Noteworthy Exits (SPAC & IPO) North America











IPO								
Venture	HQ Country	Category	Date	Opening Price*	Amount Raised At IPO (In USD)	Market Capitalization	Change in Share Price %**	
 <a href="#">Neumora Therapeutics</a>	United States	Bioinformatics, Omics Related Research	9 / 2023	\$16.50 USD	\$250M	\$2.39B USD	3%	
 <a href="#">Turnstone Biologics</a>	United States	Bioinformatics, Drug Discovery	7 / 2023	\$11.40 USD	\$80M	\$57.5M USD	-75%	
<b>FORME</b> <a href="#">FORME</a>	United States	Consumer Marketplace, Wellness Apps	4 / 2023	\$8.35 USD	\$12M	\$13.3M USD	-89%	
 <a href="#">Bullfrog AI</a>	United States	Drug Discovery	2 / 2023	\$5.30 USD	\$8.4M	\$17.6M USD	-41%	

## SPAC (NONE in 2023)


# Noteworthy Deals Asia Pacific

Venture	Lead Investors	HQ Country	Category	Stage	Date	Deal Value (\$)
 PharmEasy <a href="#">PharmEasy</a>	 	India	Consumer Marketplace, On-demand Lab Tests, Online Pharmacy	Series G	10 / 2023	420M
 晶泰科技 <a href="#">XtalPi (晶泰科技)</a>		China	Drug Discovery	Strategic	5 / 2023	250M
 <a href="#">Saluda Medical</a>		Australia	Remote Monitoring Devices	Private Equity	4 / 2023	150M
 <a href="#">Halodoc</a>		Indonesia	Consumer Marketplace, EHR / PHR, Hospital, Online Pharmacy, Teleconsultation	Series D	7 / 2023	100M
 <a href="#">Mamaearth</a>	  	India	Consumer Marketplace	Pre-IPO	10 / 2023	91M












# Noteworthy Exits (M&A) Asia Pacific

M&A						
Venture	Acquirer	HQ Country	Category	Date	Deal Value (\$)	
 <a href="#">Volpara Health</a>	 Lunit	New Zealand	Medical Imaging	12 / 2023	193M	
 <a href="#">GP2U Telehealth</a>	 My Emergency Doctor	Australia	Teleconsultation	6 / 2023	2M	
 <a href="#">MyHealth1st</a>	 HealthShare	Australia	Medical Concierge	4 / 2023	0.8M	
 <a href="#">PREVENT (PREVENT)</a>	 Sumitomo Life Insurance	Japan	Disease Management, Prescriptive Analytics, Remote Monitoring Devices	12 / 2023	undisclosed	
 <a href="#">MiRTel (ミルテル)</a>	 Medical Net (メディカルネット)	Japan	Omics Related Diagnosis	11 / 2023	undisclosed	

# Noteworthy Exits (SPAC & IPO) Asia Pacific









IPO								
Venture	HQ Country	Category	Date	Opening Price*	Amount Raised At IPO (In USD)	Market Capitalization	Change in Share Price %**	
 <a href="#">Yaoshibang</a> (药师帮)	China	HCP Education, Pharmacy, Professional Marketplace	6 / 2023	\$23.05 HKD	\$38.4 M	\$4.53B HKD	-64%	
SPAC								
Venture	Acquirer	HQ Country	Category	Date	Deal Value (\$)			
 <a href="#">ETAO Cloud</a> (医道云)	 Mountain Crest Acquisition Corp. III	China	Disease Management, Hospital, Prescriptive Analytics, Teleconsultation	2 / 2023	301M			
 <a href="#">Coreline Soft</a> (코어라인소프트)	Shinhan 7th Special Purpose Acquisition Company	South Korea	Medical Imaging	9 / 2023	1.3M			

# Noteworthy Deals Europe








Venture	Lead Investors	HQ Country	Category	Stage	Date	Deal Value (\$)
	 Affinity Partners	Germany	Smart Equipment	Series G	7 / 2023	225M
	 SoftBank  Escala Capital, <i>and more</i>	United Kingdom	Hospital, Prescriptive Analytics	Series E	9 / 2023	165M
	 Revival Healthcare Capital	Switzerland	Telesurgery	Series F	4 / 2023	150M
	 Pitango Venture Capital	Germany	Medical Concierge	Series D	5 / 2023	108M
	 Verdane Capital	Germany	Corporate Health, Wellness Apps	Series D	12 / 2023	106M






# Noteworthy Exits (M&A & IPO) Europe

M&A							
Venture	Acquirer	HQ Country	Category	Date	Deal Value (\$)		
 <a href="#">Diamond Whites</a>	Impress	United Kingdom	On-demand Delivery	2 / 2023	32M		
 <a href="#">Babylon Health</a>	eMed	United Kingdom	Health / Symptom Checker, Teleconsultation, Triage	6 / 2023	0.6M		
 <a href="#">aidhere</a>	 Sidekick Health	Germany	Digital Therapeutics	10 / 2023	undisclosed		
 <a href="#">Medexprim</a>	 BC Platforms	France	Bioinformatics, Medical Imaging	12 / 2023	undisclosed		
 7Mind <a href="#">7Mind</a>	 Gymondo	Germany	Wellness Apps	12 / 2023	undisclosed		
IPO (NONE in 2023)							

# Noteworthy Deals Middle East

Venture	Lead Investors	HQ Country	Category	Stage	Date	Deal Value (\$)
 <a href="#">Augmedics</a>	CPMG	Israel	Medical Imaging	Series D	6 / 2023	83M
 <a href="#">K Health</a>	undisclosed	Israel	Diagnosis Tools, Health Information Platform, Teleconsultation	Series E1	7 / 2023	59M
 <a href="#">Ibex Medical Analytics</a>	 83North	Israel	Medical Imaging	Series C	9 / 2023	55M
 <a href="#">Healthy.io</a>	undisclosed	Israel	Diagnosis Tools	Series D	5 / 2023	50M
 <a href="#">TytoCare</a>	 Insight Partners	Israel	Remote Monitoring Devices, Teleconsultation	Series D2	8 / 2023	49M






# Noteworthy Exits (M&A & IPO) Middle East

M&A						
Venture	Acquirer	HQ Country	Category	Date	Deal Value (\$)	
 <a href="#">Arkan United</a>	 Rology	Saudi Arabia	Teleradiology	6 / 2023	undisclosed	
 <a href="#">DiA Imaging Analysis</a>	 Philips	Israel	Medical Imaging	5 / 2023	undisclosed	
 <a href="#">Nala.ai</a>	 Integrative Health	Saudi Arabia	Diagnosis Tools	5 / 2023	undisclosed	
 <a href="#">Nafas</a>	 Labayh	United Arab Emirates	Wellness Apps	3 / 2023	undisclosed	
Smileneo <a href="#">Smileneo</a>	 makeO	United Arab Emirates	Medical Concierge	2 / 2023	undisclosed	
IPO (NONE in 2023)						

# Noteworthy Deals South America

Venture	Lead Investors	HQ Country	Category	Stage	Date	Deal Value (\$)
 <a href="#">Sami</a>	 Redpoint ventures  mundi ventures	Brazil	Teleconsultation	Series B	6 / 2023	18M
 <a href="#">HealthAtom</a>	 Kayyak Ventures	Chile	Physician / Clinic, Teleconsultation	Series A	1 / 2023	10M
 <a href="#">Genial Care</a>	 General Catalyst	Brazil	Care Coordination	Seed	1 / 2023	10M
 <a href="#">Extendeal</a>	undisclosed	Argentina	Pharmacy	Seed	11 / 2023	7.5M
 <a href="#">Fiibo</a>	Headline	Brazil	Corporate Health, Health Insurance, Healthcare Navigation, Wellness Apps	Seed	8 / 2023	3.5M











# Noteworthy Deals Africa

Venture	Lead Investors	HQ Country	Category	Stage	Date	Deal Value (\$)
 <a href="#">Helium Health</a>	 AXA IM Alts	Nigeria	EHR / PHR, Medical Payments	Series B	6 / 2023	30M
 <a href="#">Kasha</a>	 Knife Capital	Kenya	Consumer Marketplace	Series B	7 / 2023	21M
 <a href="#">MyDawa</a>	 Alta Semper	Kenya	Consumer Marketplace	Series B	7 / 2023	20M
 <a href="#">Yodawy</a>	 Global Ventures, Delivery Hero Ventures	Egypt	Online Pharmacy	Series B1	2 / 2023	16M
 <a href="#">Maisha Meds</a>	 USAID	Kenya	Pharmacy	Grant	10 / 2023	5.3M



# Noteworthy Partnerships

Corporate / Organization	Venture	HQ Country	Date	Primary Category
 <a href="#">Lilly</a>	 <a href="#">Fauna Bio</a>	United States	12 / 2023	Drug Discovery
 <a href="#">Merck</a>	 <a href="#">Owkin</a>	France	12 / 2023	Prescriptive Analytics
 <a href="#">MetLife</a>	 <a href="#">Nayya</a>	United States	10 / 2023	Health Claim Management
 <a href="#">Cigna</a>	 <a href="#">Virgin Pulse</a>	United States	8 / 2023	Corporate Health
 <a href="#">Bayer</a>	 <a href="#">Mahana Therapeutics</a>	United States	8 / 2023	Digital Therapeutics

# Most Active Partners in Digital Health

Corporate Partner	Partner Type	Total No. of Digital Health Partnerships since 2013	No. of Digital Health Partnerships in 2023	Recent Partnership	Venture Category
 <a href="#">Mayo Clinic</a>	Healthcare Provider	70	19	 <a href="#">Intelligent Scopes</a>	Medical Imaging
 <a href="#">AstraZeneca</a>	Pharmaceutical	62	13	 <a href="#">Saama</a>	Bioinformatics
 <a href="#">Roche</a>	Pharmaceutical	54	6	 <a href="#">Somatix</a>	Remote Monitoring Devices
 <a href="#">Humana</a>	Insurance	47	3	 <a href="#">Talkiatry</a>	Teleconsultation
 <a href="#">Cigna</a>	Insurance	43	5	 <a href="#">Headway</a>	Health Insurance

# Most Active Investors in Digital Health in 2023

Investor	Type	Cumulative # of Digital Health Deals since 2013	# of Investments in 2023	Latest Participated Investment	Date	Total value of latest deal
 <a href="#">Andreessen Horowitz</a>	Venture Capital	115	19	 <a href="#">knownwell</a>	11 / 2023	20M
 <a href="#">General Catalyst</a>	Venture Capital	142	18	 <a href="#">Layer Health</a>	11 / 2023	4M
	Venture Capital	115	14	 <a href="#">Seismic Therapeutic</a>	12 / 2023	121M
 <a href="#">F-Prime Capital</a>	Venture Capital	100	11	 <a href="#">Eleos Health</a>	11 / 2023	40M
 <a href="#">Khosla Ventures</a>	Venture Capital	157	9	 <a href="#">Vivodyne</a>	12 / 2023	38M



# Key Information

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Global 2023 Year End



# Key Information

## SCOPE OF REPORT

This report covers Digital Health ventures with an incorporation date after 2002. The data is valid as of 02 Jan 2024.

Digital Health is defined as the intersection between healthcare and technology, and is also referred to as HealthTech. Digital Health does not include Biotech (protein research or pharmaceuticals), MedDev (devices that are mechanical and electronic in nature), neuro-stimulates, opioids and minimal-invasive instruments. We recommend reviewing our taxonomy on the next page for further details.

## DATA SOURCING AND TRACKING

Galen Growth tracks a comprehensive inventory of key data points ranging from company demographics, funding and valuation to in-market capabilities on a continuously growing and curated list of HealthTech ventures drawn from global markets. Data is collated from primary research, public domain sources (press releases, news, public filings), proprietary analytics and from its unique network.

The information is:

- Disclosed and undisclosed by nature
- Continuously updated with the latest data
- Curated from both direct and indirect verified sources
- Augmented with our proprietary algorithms

Each HealthTech Alpha Index and Score is calculated using proprietary algorithms and data points drawn from our carefully curated HealthTech Alpha database. We recommend reviewing the Digital Health Analytics page for further information.

## KEY TERMS AND DEFINITIONS

BASE CURRENCY	USD
EARLY STAGE	All deals up to and including Series A stage
GROWTH STAGE	All deals at Series B & C stage
LATE STAGE	All deals at Series D & Beyond stage
EXIT	IPO, SPAC and M&A deals
HTA	HealthTech Alpha

## IMPORTANT INFORMATION

This report is provided solely for informational purposes and was prepared in good faith on the basis of public information available at the time of publication without independent verification. Numbers will be updated from time to time to reflect information identified after the event.

Galen Growth does not guarantee or warrant the reliability or completeness of the data nor its usefulness in achieving any particular purposes.

Galen Growth shall not be liable for any loss, damage, cost or expense incurred by reason because of any persons use or reliance on this report.

This report is a proprietary aggregation of publicly available and undisclosed data and shall not be forwarded or reproduced without the prior written consent of Galen Growth.

## RESEARCH INQUIRIES

For more information about data, research and Galen Growth's proprietary algorithm contact: [research@galengrowth.com](mailto:research@galengrowth.com) for more information.



# Digital Health Analytics

The **Alpha Score** is Galen Growth's proprietary 360° Venture Maturity assessment that aggregates four distinct and independent Alpha Indices

**Momentum index:** evaluates the present performance and fitness of the venture relative to its ecosystem peers.

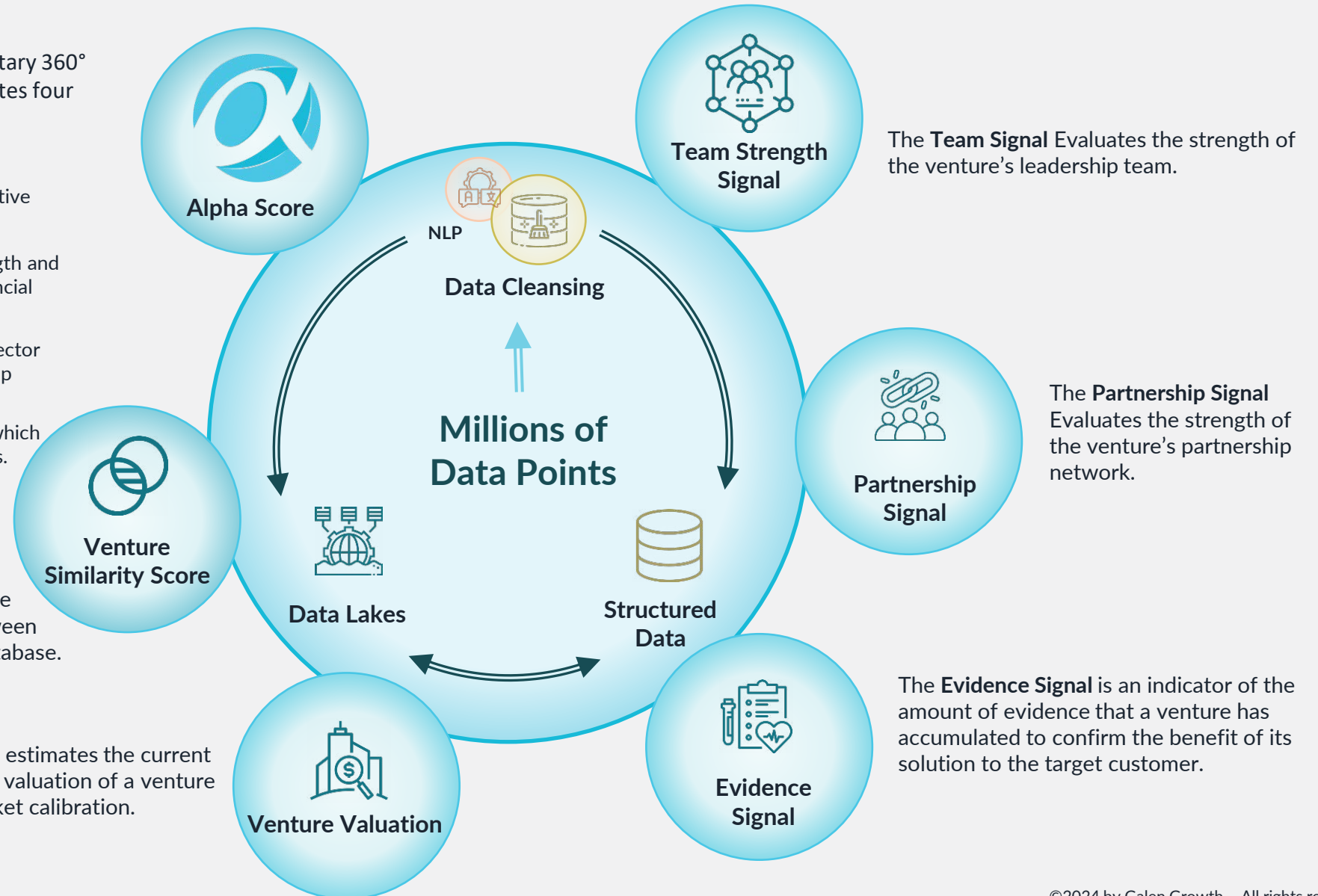
**Money index:** quantifies the financial strength and well-being of the venture based on its financial history and investor quality.

**Market index:** evaluates the health of the sector category and sub-category in which a startup competes.

**Innovation index:** evaluates the degree to which the venture is solving healthcare pain points.

The **Venture Similarity Score** indicates the commonality of existing data points between startups within the HealthTech Alpha database.

The **Venture Valuation** estimates the current and next funding stage valuation of a venture based on mark-to-market calibration.



# About Galen Growth

**Our unique combination of data, analytics, specialist team and Digital Health network, enables our clients to outperform their competition**

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## Global Digital Health Ecosystem Coverage

Our unmatched coverage of the world's most innovative Digital Health ventures means more innovation choice and better decisions.

## Specialist Team with Decades of Experience

With decades of experience, our team of analysts, decision makers & industry experts extend your team with specialist insights and know how. Our US, Asia and Europe offices serve our clients worldwide.

## Tailored Innovation Solutions

Whatever stage you are at in your innovation journey, we have a world class solution to enable you to succeed. Every solution leverages our unrivalled Digital Health data.

# About FINN Partners

Founded in 2011, FINN is one of the world's fastest growing independent agencies, serving clients through a powerful combination of hands-on partnerships, highly specialized, deep-rooted expertise and a values-driven culture that champions collaboration and innovation, and strives to create a more equitable world.

More than an integrated marketing agency, we are a bold collective of communications advocates, stewarding brands, protecting reputations, pioneering industries, influencing public policy and leveraging data and analytics to shape the most important conversations of our day.

We are smart, passionate people on a mission to make a difference in the world.

33  
offices

15+  
industries

3  
continents

1,400+  
people