Health-Tech Investment Report
November 2018
What is Driving Health-Tech?

Health-Tech, or digital health, is the use of technology (databases, applications, mobiles, wearables) to improve the delivery, payment, and/or consumption of care, with the ability to increase the development and commercialization of medicinal products.
**Why Should Health-Tech Matter To Us?**

- **Bridging** the gap between the needs of the patients and the offerings of traditional models of healthcare services.
- **Investing** in technologies to bring efficiencies, reduce cost, increase access and improve care.
- **Bringing** convenience in managing day-to-day healthcare and wellness needs of the people.
- **Accommodating** the growing healthcare requirements of the people globally.
- **Enhancing** the patient experience and engaging with them on a continuous basis.
- **Complying** with health policy and complex regulations. Regulatory changes fuelling tech’s growth.

As per a survey, more than 70% of people consider the use of technology important in healthcare.

Source: Consumer survey on digital health, Accenture
HOW IS HEALTH-TECH IMPACTING VARIOUS HEALTHCARE ASPECTS?

Some well funded Startups in Health-Tech

TELEMEDICINE
- Dr Doctor on Demand
- SENSELY
- Babylon

MEDICAL IMAGING & DIAGNOSTICS
- Artery
- Deep Genomics
- Enlitic

APPOINTMENT SCHEDULING
- Practo
- Carbon

PHARMACY DELIVERY
- Capsule
- Zipdrug
- PillPack

FITNESS WEARABLES
- Fitbit
- Sensoria
- Jawbone

TELEMEDICINE
- WellDoc
- Glooko
- Sweetch

DIABETES MANAGEMENT

PATIENT DATA & ANALYTICS
- Cloud Medx
- Apixio
- Roam
- Oncora Medical
- Sensodata

VIRTUAL ASSISTANTS
- Med2What
- SophieBot
- YourMD

CLINICAL EFFICIENCY

FEMALE HEALTH

FITNESS WEARABLES

*Global Scenario
GLOBAL OVERVIEW
US-based digital health startups have received 75% of the global deal share since 2013. India took second with 4%, followed by China, the United Kingdom, and Canada\(^{(1)}\)

\[(1)\] Data till April 2017

Deal volume in 2018 is on track, with funding surpassing 2017 funding totals by almost $1 Bn. 2018 Q3 has been the largest quarter since 2010.

Source: CB Insights, Statista, Startup health insights
**Most Active Functions of 2018 (YTD)**

1. **Patient Empowerment**
   - Total Funding: $2.1 Bn
   - Deal Count: 149

2. **Wellness**
   - Total Funding: $1.6 Bn
   - Deal Count: 64

3. **Biometric Data Acquisition**
   - Total Funding: $1.5 Bn
   - Deal Count: 50

4. **Clinical Workflow**
   - Total Funding: $1.1 Bn
   - Deal Count: 98

5. **Research**
   - Total Funding: $857 Mn
   - Deal Count: 54

6. **Personalized Health**
   - Total Funding: $964 Mn
   - Deal Count: 37

Source: Startup health insights
GLOBAL INVESTMENT HUBS*

Source: CB Insights
*As of April 2017
**KEY INVESTORS**

<table>
<thead>
<tr>
<th>investor</th>
<th>2018 Deals*</th>
<th>2017 Deals</th>
</tr>
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<tbody>
<tr>
<td>Khosla Ventures</td>
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<td>9</td>
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<td>Founders Fund</td>
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<td>7</td>
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<td>Y Combinator</td>
<td>9</td>
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<tr>
<td>General Catalyst</td>
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<td>7</td>
</tr>
<tr>
<td>Norwest VENTURE PARTNERS</td>
<td></td>
<td>7</td>
</tr>
</tbody>
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* Deals until 2018 Q3, Source: Startup health insights
Company Description

- Babylon delivers high quality healthcare via your mobile phone. Babylon employs only the very best doctors and provides them with rigorous industry-leading training.

- During video visits doctors listen and look carefully to diagnose you or your family member and then write prescriptions or refer you to a specialist if required. Patients rate each visit to ensure quality.

Features

- Chat to babylon for fast advice on what to do next if you’re feeling unwell.
- GP appointments are available 24/7 and can easily be arranged from your phone.
- Babylon lets you track test results, activity levels and health info.
- Babylon sends prescriptions to your front door, office or local pharmacy.
- Tell others what you think.

Source: Company website, crunchbase.com

Headquarters
- London, UK

Funding
- $ 85 Mn
Company Description

- 23andMe is a human genome research company enabling users to study their ancestry, genealogy, and inherited traits.
- 23andMe allows its clients/users to study their ancestry, genealogy, and inherited traits. The company also markets to researchers and scientists, for whom they provide neatly categorized and easily searchable data.
- The company has an API(1) to let developers build apps on top of user’s genetic information.

Business Model

1. **Direct to consumer genetics**
   - Revenues from consumers for genetic reports

2. **Research Services**
   - Fees for services
   - Outcome based deals
   - Potential revenues from developing & marketing innovative therapies

3. **Drug Discovery**
   - R&D

Source: Company website, crunchbase.com

Headquarters

- California, USA

Funding

- $ 786 Mn
Company Description

- AliveCor is pioneering the creation of FDA-cleared 'machine learning' techniques to enable proactive heart care and is recognized around the world for transforming cardiac care.

- AliveCor has a device and application that will turn any smartphone into a clinical-quality electrocardiogram (ECG) recorder.

- AliveCor’s Kardia Pro is the first AI-enabled platform for doctors to monitor patients for the early detection of atrial fibrillation, the most common cardiac arrhythmia that leads to a five times greater risk of stroke.

Features

- **FDA Cleared** - Kardia is the most clinically validated mobile ECG available.

- Smaller than a credit card, Kardia allows you to capture a medical-grade ECG anywhere, anytime.

- Kardia’s app-based service enables you to proactively care for the health of your heart. You can relay your diagnosis and exercise patterns to your doctor.

- Kardia offers instant ECG analysis and consultations with board-certified cardiologists.

Source: Company website, crunchbase.com

Headquarters

San Francisco, USA

Funding

$43.5 Mn
Company Description

- Touch Surgery is an interactive mobile surgical simulator that guides you step-by-step through every part of an operation, and every decision that’s made along the way.

- Using sophisticated technology, Touch Surgery is creating accurate and valuable surgical content, disseminating the best techniques and procedures to improve the quality of surgery worldwide.

- It is an excellent platform for medical practitioners to discover the latest procedures authored by leading specialists.

Business Model

- Source: Company website, crunchbase.com

- Patients
- Surgical simulation
- Training
- In-app Advertising

- Corporates & Manufacturers
- Surgical simulation
- Training

- Students
- Institutions
- Surgical simulation
- Training

Funding

- $21 Mn

Headquarters

- London, UK
INDIAN OVERVIEW
### Indian Healthcare

**An Opportunity to Grow**

<table>
<thead>
<tr>
<th>Country</th>
<th>Health Expenditure per Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>$568</td>
</tr>
<tr>
<td>China</td>
<td>$420</td>
</tr>
<tr>
<td>Russia</td>
<td>$893</td>
</tr>
<tr>
<td>Brazil</td>
<td>$947</td>
</tr>
<tr>
<td>India</td>
<td>$75</td>
</tr>
</tbody>
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Among the BRICS and few other industrialized nations, India spends the least on health per capita. Out of the $75 expenditure, most comes from private spending of households.

Source: WHO Reports

**Healthcare Growth Trend (in $ billion)**

- **CAGR : 12.1%**
- **Forecast**

Although the healthcare sector in India is growing rapidly, accessibility to affordable healthcare remains a distant dream for a majority of the population. The number of healthcare personnel along with the infrastructure required is significant, to satisfy the needs of the growing population.

Source: Livemint.com
Gaps in India’s Healthcare

Quality

Less than 1% of India’s hospitals are accredited

27 JCI accredited healthcare organizations

347 accredited and 500 NABH applicant hospitals in India

1,165 NABL accredited medical laboratories

Affordability

30%

Indians fall below the poverty line each year because of healthcare expenses.

30%

India only spends 4.7% of its GDP on healthcare cumulatively, with just 1.4% from the public sector, which is among the lowest in the world.

Accessibility

70%

India’s healthcare infrastructure is limited to the top 20 cities

33%

There is great disparity in the availability of skilled resources between rural areas and urban areas

Percentage of Rural Doctors

Source: PWC Reports

**Government e-Health Initiatives**

**Electronic Health Record Standards for India**

The Ministry of Health and Family Welfare has notified Electronic Health Record (EHR) Standards Version 2016 for India in December 2016 with an intent to bring standardisation and homogeneity, interoperability in capture, storage, transmission & use of healthcare information across various Health IT systems.

**Integrated Health Information Program (IHIP)**

To provide interoperability of various EHR systems already implemented, an Integrated Health Information Platform (IHIP) is being setup by the Ministry of Health and Family Welfare (MoHFW).

**National eHealth Authority (NeHA)**

A regulatory body, tasked with overseeing the digitisation of health information. Additionally, NeHA is responsible for setting up electronic health exchanges for interoperability and devising a certification framework for EHR products.

**mHealth**

The government is working with various organisations, to provide intuitive and interactive modes of communication, treatment, data transmission, and retrieval to doctors/hospitals and patients using mobile apps and websites.
Investment in Indian healthcare start-ups is gaining traction; it witnessed 84 per cent of the total funding during 2015–16, since 2009.

*Data till April 2016. Source: Financial Express

From the beginning of 2017, $565.2 million has been invested in India’s health care ventures in 25 rounds. In the same period, $730 million has been raised by health tech ventures in 199 rounds.

1: As on 4th September 2018, Source: Traxcn Technologies, Inc
TOP FUNDED STATES IN INDIA (2012-16)

- **Haryana**: Total Investment Value $25.3 mn
- **Maharashtra**: Total Investment Value $99.4 mn
- **Karnataka**: Total Investment Value $101.6 mn
- **Delhi**: Total Investment Value $31 mn
- **Tamil Nadu**: Total Investment Value $10.7 mn

Source: KPMG Reports
Company Description

- Practo is the place which connects people to everything that they need to take good care of themselves and their families, assessing health issues, finding the right doctor, managing records securely, and finding new ways to live a longer healthier life.

- Practo provides a definitive platform for them to build their presence, to grow their practice or business and to engage their patients in a way that was never possible before.

Headquarters
Bangalore, India

Funding
$234 Mn

Acquisitions

Key Investors

Source: Company website, crunchbase.com
Company Description

• CureFit is a health and fitness company. CureFit will be an innovative combination of engagement, coaching and delivery through a combination of online and offline channels

• Both experiences, seamlessly integrated will provide end-to-end proactive health management to consumers. Through this solution, consumers will be able to enjoy better quality of life, reduce the probability of falling sick and significantly reduce risks for long term chronic diseases

Funding

Source: Company website, crunchbase.com

Key Investors

Binny Bansal, Flipkart co-founder

Source: Company website, crunchbase.com
Company Description

- NetMeds lets users order their medicines via its portal and mobile app by uploading their prescriptions. A team of qualified pharmacists verifies the prescription for validity and prescribes the appropriate dosage accordingly.
- Netmeds offers the low-priced generic alternatives to most medicines. Because generic medicines provide the same therapeutic benefits as brand-name medicines, you can expect significant savings by opting for the inexpensive generic substitutes.

Headquarters
Chennai, India

Funding
$ 99 Mn

Acquisitions

Key Investors

Source: Company website, crunchbase.com
Company Description

• SigTuple builds intelligent screening solutions to aid diagnosis through AI-powered analysis of visual medical data

• Sigtuple is building an artificial intelligence (AI) platform called Manthana which helps them analyse visual medical data efficiently. Manthana has enabled them to work on five major high-volume, screening processes of the healthcare industry – analysis of peripheral blood smears, urine microscopy, semen, fundus & OCT scans and chest x-rays

How it Works?

Funding

$ 24.8 Mn

Headquarters
Bangalore, India

Key Investors

Source: Company website, crunchbase.com, biztor.com
CONCLUDING REMARKS

01
Investments in the Health-Tech sector in India in the last few years have largely gone towards Consumer Tech (B2C) segment. The first wave of investments focused mostly on marketplaces and aggregator of products & services and telemedicine consultations.

02
Going forward, we expect to witness more investments flowing towards segments like Deep tech (B2B segment), Wearables, Research (R&D), etc.

03
Significant market opportunity is also expected to arise in the relatively under-explored healthcare “enabler” space (i.e., healthcare services like finance, insurance and pharma distribution).

04
Over the last 5 years, Indian Healthtech sector attracted 2nd highest investments globally even though it has the lowest per capita spends on healthcare amongst BRICS nations. Hence, with growing per capita spends, India is expected to become an even more attractive investment destination going forward.
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- Advised on India entry strategy and JV advisory to various MNCs.
- Extensive relationships with major Financial Institutions, Private Equity funds and various Institutional Investors - in India and globally.

For more info about the company, you may refer to: http://www.transjovancap.com

For any business inquiries, you may email at: info@transjovancap.com

Contact Us

TRANSJOVAN CAPITAL ADVISORS LLP
Level-2, Elegance Tower
Mathura Road
Jasola
New Delhi – 110 025
India
Website: www.transjovancap.com

Transaction Team:
Should you require any clarifications, do feel free to get in touch with:

Gaurav Asthana           Managing Partner           gaurava@transjovancap.com
Bharat Mishra            Associate                 bharatm@transjovancap.com
Debjit Krishnan          Analyst                   debjtk@transjovancap.com
Rachit Kapoor            Analyst                   rachitk@transjovancap.com

TRANSJOVAN CAPITAL ADVISORS LLP
Level-2, Elegance Tower
Mathura Road
Jasola
New Delhi – 110 025
India
Website: www.transjovancap.com