



ANNUAL HEALTH TECH INVESTMENT REPORT

2017

\$735M

RAISED BY

85

COMPANIES

AN ALL-TIME RECORD

BROUGHT TO YOU BY



Our Mission

We champion and facilitate an environment that enables health technology and care organizations to innovate, succeed and influence the evolution of healthcare.

Our Vision

We will elevate Medical Alley as the global epicenter of health innovation and care.

POWERING THE EVOLUTION OF **HEALTHCARE**

What's happening in healthcare? Follow the money. 2017 was characterized by investments in game-changers: Companies with solutions that tackle the largest disease states, deliver new payment models, define value in cost and outcomes, and change the future of medicine. Medical Alley Association's 2017 Annual Health Tech Investment Report captures the trends and the players defining value in healthcare.

RECORD YEAR OF INVESTMENT

In Medical Alley, more companies raised more money than ever before.

In the first half of 2017, 56 Medical Alley companies raised \$320 million from investors around the world, grabbing headlines, and providing insight into the evolution of the healthcare market. The second half kept up the pace as 29 companies raised an additional \$415 million. The \$735 million raised throughout 2017, was the best year on record, exceeding the prior year total by almost \$300 million.

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Capturing national attention, **Bright Health**, a Medical Alley leader redefining the healthcare insurance business, raised \$160 million, which was the largest single raise for a Medical Alley company last year. **Bright Health** has raised \$240 million in the last two years, part of a growing wave of digital health companies building the future of healthcare payment and delivery in Medical Alley.

Medical device was led by **Amphora Medical** with their \$35.5 million Series B for their novel treatment of overactive bladder, a condition

with a \$25 billion annual healthcare burden. **Metavention**, developer of metabolic neuro-modulation therapy for the treatment of type 2 diabetes has secured commitments for \$65 million with \$30 million raised in 2017. Type 2 diabetes costs the US healthcare system \$246 billion each year.

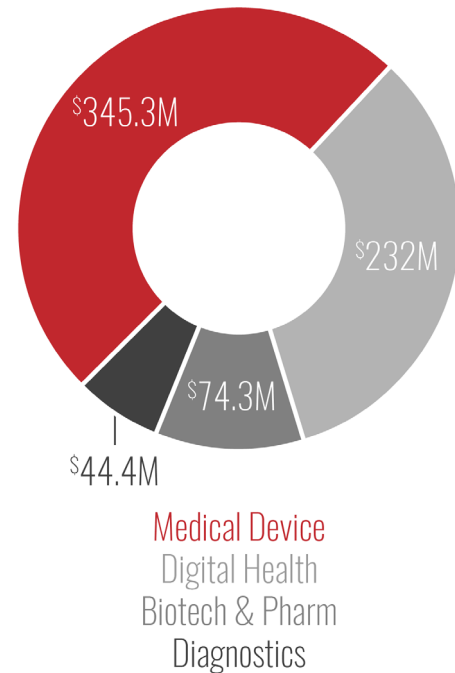
Investors showed their excitement for solutions that can accelerate and define personalized medicine. **Celcuity**, with a pioneering functional cellular analysis platform technology to diagnose cancer, raised \$23 million through an initial public offering. **Rebiotix**, whose microbiota restoration therapy to treat patients with clostridium difficile (C. diff) infected patients, raised \$8.5 million through 2017. C. diff., which kills 29,000 people each year, has a growing market expected to reach \$1.7 billion by 2026.

company	amount raised
Bright Health	\$160M
Amphora Medical	\$35.5M
Metavention	\$30M
Monteris Medical Inc.	\$26.6M
Osprey Medical Inc.	\$26M
Celcuity LLC	\$23M
Conventus Orthopaedics	\$20M
Marker Therapeutics	\$20M

Top Medical Alley Raises, 2017

EVERY SECTOR WINS AS EVOLUTION OF HEALTHCARE PLAYS OUT

Medical Alley's health innovation and care community is setting the new standard as investors, providers, and health plans look at a broad set of solutions to contain costs and improve outcomes. Medical Alley continued its leadership in medical devices raising \$345.3 million. Digital health saw its best year ever and continued meteoric rise with \$232 million raised. And the emergence of biopharma and diagnostics, with records of \$74.3 million and \$44.4 million respectively, rounds out an innovation pipeline, securing Medical Alley's place as the most diverse healthcare innovation hub in the world.



2017 Fundraising totals by sector in Medical Alley.

MEDICAL ALLEY RECORDS INCLUDED:

Digital Health delivered a record year with more than \$232 million raised.

- **Bright Health** raised \$160 million in Q2 of 2017.

Diagnostics:

- **Celcuity** matched the largest raise in the sector's history at \$23 million.

Biotechnology and pharmaceutical records:

- **Marker Therapeutics** (\$20 million) and **Rebiotix** (\$17 million) had two of the top three raises in the sector's history.

CLOSING A RECORD YEAR

The fourth quarter rounded out a historic year in Medical Alley. With 19 deals for \$144.6 million, the second-best closing quarter on record, Medical Alley investment totaled \$735.1 million. Fourth quarter highlights include:

- **Respicardia** raising \$58.5 million complement its original premarket approval (PMA) decision in October*.
- **Revel Health** added \$17.5 million for its engagement platform, contributing to a 176% increase in digital health investment over the previous year.
- **Silk Technologies** raised \$11.2 million for its dry eye product, contributing to a 213% increase in biotechnology and pharmaceutical investment over the previous year.
- **Metavention** secured commitments for \$65 million with \$30 million closed in 2017.

ONWARDS TO 2018

2017 was a remarkable year and the indicators show strength far beyond the calendar year. With record raises in every sector, four strong quarters of momentum, and a region of companies on the leading edge of every major vertical of health care, Medical Alley will continue its position as the global epicenter of health innovation and care in 2018 and beyond.