

START-UP NATION CENTRAL



START-UP NATION CENTRAL DIGITAL HEALTH TRENDS REPORT 2018-2019

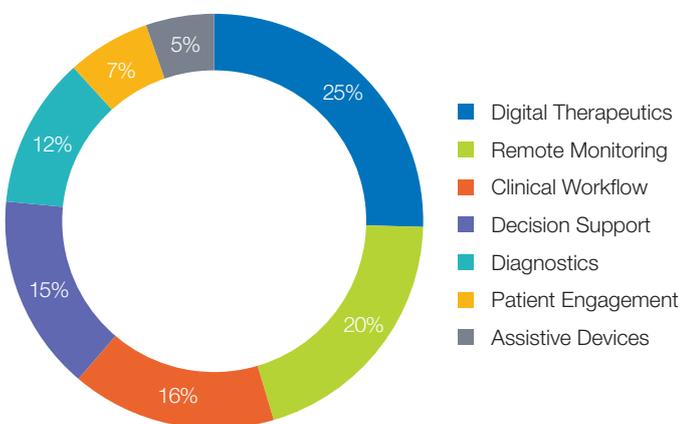
The Digital Health sector is flourishing in Israel. With over 500 innovative companies, technology hubs, R&D centers, incubators, and multinational corporations in this space, the vibrant Israeli Digital Health ecosystem has more than doubled in size since 2011.

Israel has more than 25 years of accumulated data in its healthcare system, 98% of which is digitized. In early 2018, the Israeli government approved a budget of \$300 million to support Digital Health as the next economic growth engine.

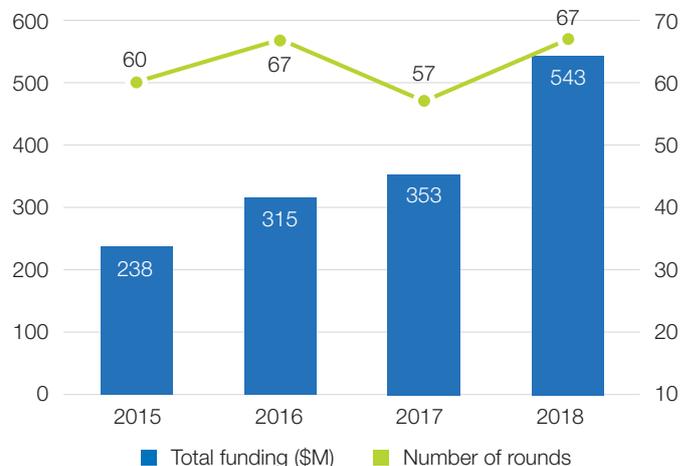
Among its goals in this are financial incentives to encourage collaborations between Israeli tech and foreign healthcare systems.

2018 was a milestone year for Israel, seeing the first strategic exit for a Digital Therapeutics company: Medtronic bought Nutrino for \$100M - an AI-powered personalized nutrition and diabetes management company. Together with additional growing Venture Capital investments, this is validation that the local digital health sector is attracting interest from multinational corporations looking to make strategic moves.

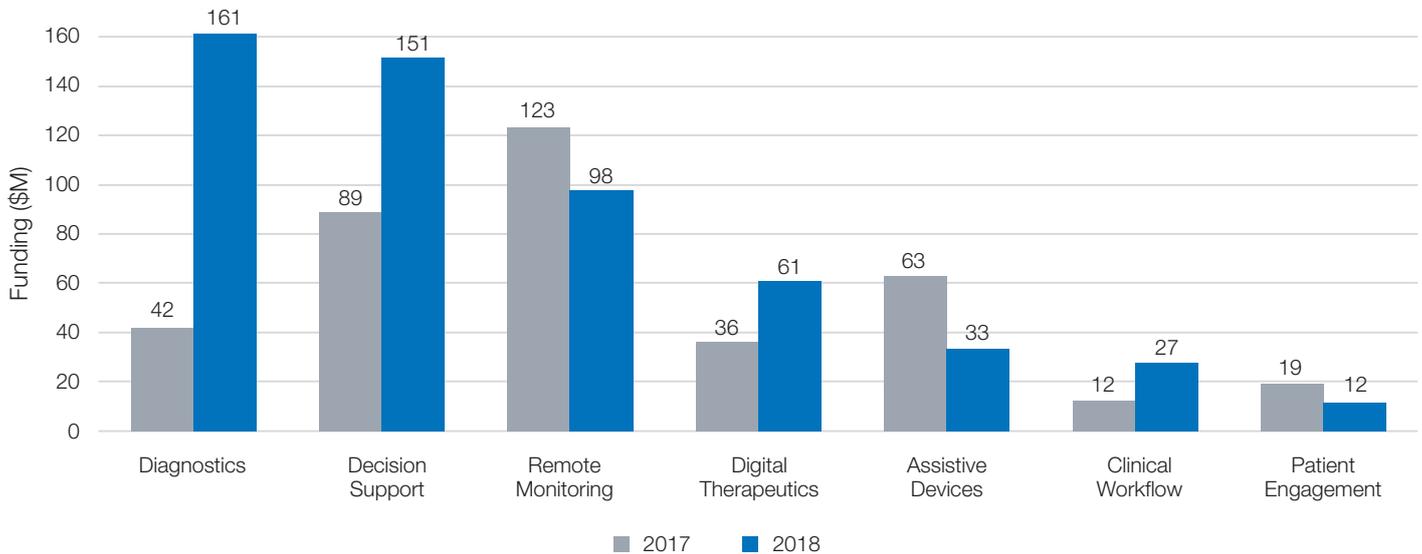
Digital Health Landscape by Subsectors



Investment and Rounds



Funding by Subsector (\$M)



Digital Therapeutics is the largest subsector of the Israeli Digital Health sector (**130 companies**), accounting for almost **25% of total companies**.



Diagnostics start-ups received **\$160M** in funding, **30% of the total sector** investments in 2018 (nearly four times more than in 2017).



The funding raised in 2018 surpassed that raised in 2017 by **42%**, with **67 deals totaling \$540M**.



Decision support is the most dynamic subsector, which received **\$150M** in funding in 2018 (28% of total funding). The number of companies in this subsector grew by **8% in 2018 to 81 companies**, indicating the expanding role of Artificial Intelligence and Machine Learning in Digital Health industry.



In 2018, the **median round** in Digital Health funding was **\$4M**, with a growing number of pre-seed rounds.



Within the ecosystem, approximately **35%** of Digital Health companies utilize **Artificial Intelligence** in their solutions. Furthermore, **85%** of Digital Health companies that raised funds in 2018 were companies that **utilize AI solutions**.



Cybersecurity for healthcare is gaining momentum. Of eight companies in the market, seven were founded during the past three years, and have raised **\$24M** since the beginning of 2018, over five funding rounds.

About Start-Up Nation Central

Start-Up Nation Central is an Israel-based non-profit that serves as a gateway to Israeli innovation. An authoritative source on the Israeli innovation ecosystem, the organization leverages its in-depth knowledge to help identify the best solutions for demanding corporate and government challenges. Start-Up Nation Central is a non-profit organization, funded entirely by philanthropy, fueling Israel's innovation engine, convening thought leaders to help shape policies which support it, and enabling companies and technologies to grow.

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