

NEW YORK

Healthcare Innovation

QUARTERLY REPORT

Q1
2021



new health
york city business
city leaders

INTRODUCTION



At the start of this year, we published the [2021 New York Healthcare Innovation Report](#) and pronounced 2020 “the year of digital health investment.” No sooner had we said that than Q1 2021 went into overdrive. We’ve never seen this much funding, nor proliferation of companies in digital health.

As a result of overwhelming feedback and an insatiable appetite for this information, we will publish quarterly updates to track growth, progress and keep the digital health community informed of industry trends throughout the year. While it’s important to track national and global trends, this past year has reminded us that it’s never been more vital to stay abreast of what’s happening in the New York market.

As Vesta Healthcare CEO Randy Klein recently remarked: **“I can imagine a world in which NYC is as synonymous with health-tech as it is with Broadway and finance.”** Hear, hear!

The quarterly updates are made possible by support from our two sponsors: J.P. Morgan and Deloitte & Touche LLP.

A handwritten signature in black ink that reads "Bunny Ellerin".

BUNNY ELLERIN

Co-Founder & CEO,

[NYC Health Business Leaders](#)

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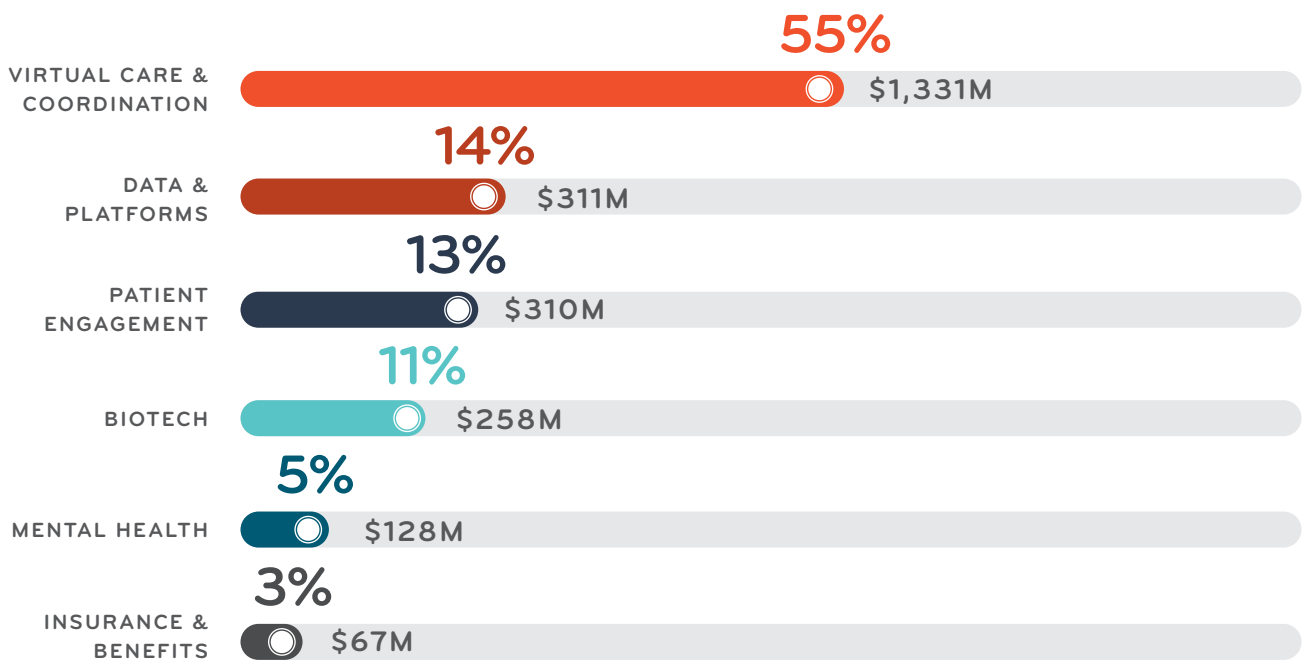
J.P.Morgan

BY THE NUMBERS

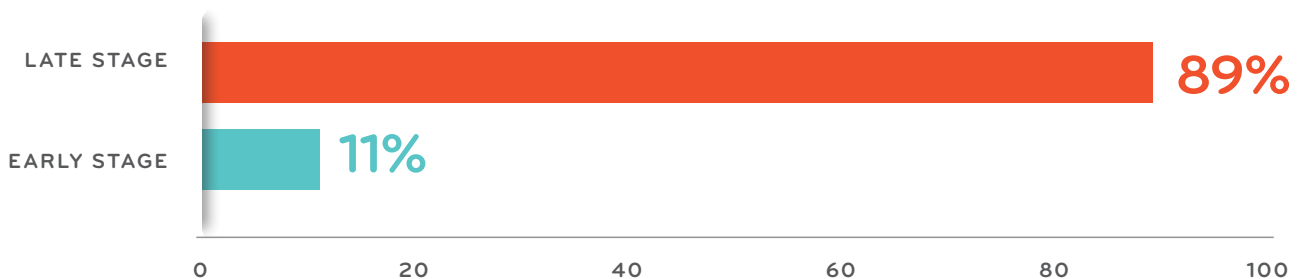
64 COMPANIES
RAISED
\$2.4B
in Q1 2021

2021 is now the *largest quarter on record* in New York healthcare funding history. To put this in perspective: it took until September 2020 to reach the same level of investment that we've already hit in Q1 2021.

FUNDING BY SECTOR (M)



FUNDING BY STAGE*



*Early stage includes pre-seed, seed and Series A. Late stage includes Series B and beyond.

Given the unprecedented amount of investment this quarter, we wanted to learn more about some of the most interesting companies in the Top 20 as well as what attracted early investors to these innovative start-ups.

FOUNDER & FUNDER

“PEOPLE WANT TO AGE SAFELY AT HOME, AND THAT’S NEVER BEEN more apparent than right now. For many, caregivers—professionals, family, friends—are key to making that reality. But too often being a caregiver is hard, lonely, and disconnected from the rest of the providers delivering care. Vesta is changing that by putting caregivers’ insights at the center of their care model and creating a truly unique, unified experience around health at home.

ANNIE LAMONT

Co-Founder & Managing Partner,
Oak HC/FT



Oak HC/FT is an investor
in Vesta Healthcare

“2020 AND 2021 HAVE BEEN PERIODS OF RAPID GROWTH FOR OUR COMPANY. In the coming year, our greatest opportunity and greatest challenge is linked: digesting the new business that we’ve won in the past year. Looking into 2022, we have to implement and scale our new clients while expanding our pipeline. Likewise, we will need to make some hard choices about how we’re going to manage our company in a post-COVID world.

RANDY KLEIN

CEO, Vesta Healthcare



What do the next 12-18 months look like?

“WITH NEW CAPITAL COMES INCREDIBLE resources and the opportunity to exceed projections. Our greatest challenge is how we address increasing market demand, while maintaining peerless customer satisfaction. We have built the industry’s first enterprise pharmacy platform (JUDI™) to ensure we have the scale, flexibility, and efficiency to maintain a significant competitive advantage. However, when you’re obsessed with customer satisfaction, you will always worry about even the slightest drop in performance.

AJ LOIACONO

CEO, Capital Rx



“THE FIRST QUARTER OF THIS YEAR CONTINUED at a record pace for investment in digital health. The COVID pandemic has heightened awareness of societal inequalities and inefficient systems in healthcare, and investors have doubled down supporting companies and technologies that improve access to care, target underserved populations, and create disruption in traditional care delivery models. Our many clients addressing these issues report strong investor demand. Given the size of the addressable market, we expect to continue to see investment where economic opportunity and social impact intersect.

CHRIS LLOYD

Managing Director, Healthcare and
Life Sciences, J.P. Morgan



FOUNDER & FUNDER



Longitude Capital is an investor
in **LEXEO Therapeutics**

“**THE OPPORTUNITY TO BUILD AND SCALE A FULLY** integrated gene therapy company in the NY area is exciting. We were drawn to LEXEO based on a world-class scientific and management team led by Nolan Townsend and Dr. Crystal and a highly diversified and clinically advanced pipeline of programs.

SANDIP AGARWALA
Managing Director,
Longitude Capital



“**GENE THERAPY IS MAKING SIGNIFICANT INROADS IN** treating and curing a range of rare diseases, but less has been done to apply gene therapy to non-rare diseases. Yet, this is what society has always wanted from the biopharma industry, in a single dose a cure to some of the most challenging diseases. The vision for LEXEO is to first apply gene therapy to treat rare diseases and ultimately also apply this technology to non-rare diseases.

R. NOLAN TOWNSEND
CEO, LEXEO Therapeutics



Who inspired you to start Ro?

“**MY DAD IS A PHYSICIAN WHO SAVED THE LIFE OF EVERY MEMBER** of my immediate family. Whenever we had a question, we would go to him and he would solve it from beginning to end. And if he couldn't, then he would find someone who could. Ro has taken the same approach by building a vertically integrated care platform that handles everything from online diagnosis to the delivery of treatment to ongoing care, while putting patients in control through every step of their healthcare journey.

ZACHARIAH REITANO
Co-Founder & CEO, Ro



How are you changing emergency response?

“**IN HEALTHCARE, DATA DETERMINES THE COURSE OF ACTION.** Our healthcare systems' current lack of data flow due to interoperability challenges can be the measure between life and death. During a health emergency, RapidSOS can securely deliver patient medical and health data to emergency communication center dispatchers, who then relay this information to the EMS. We are saving critical time on assessment, enabling dispatchers to make more informed decisions to dispatch the appropriate resources efficiently.










MICHAEL MARTIN
CEO, RapidSOS











FUNDING IN Q1 2021

Top 20



No.	Company	Description	Funding (M)	Stage	Select Investors
1	 ro	Vertically integrated primary care platform powering a personalized, end-to-end healthcare experience from diagnosis, to delivery of medication, to ongoing care.	500	Late stage	General Catalyst, FirstMark Capital, TQ Ventures, SignalFire, Torch Capital, BoxGroup
2	 cedar	Healthcare financial engagement platform for hospitals, health systems and medical groups that clarifies and simplifies the financial experience for patients.	200	Late stage	Tiger Global, Andreessen Horowitz (a16z), Thrive Capital, Concord Health Partners
3	 CITYBLOCK	Transformative, value-based healthcare provider for Medicaid and lower-income Medicare beneficiaries.	192	Late stage	Tiger Global, Kinnevik, Maverick Ventures, General Catalyst, Wellington Management, Thrive Capital
4	 UNITE US	Community-focused, social care infrastructure, connecting health and social care providers in secure, accountable networks.	150	Late stage	ICONIQ Growth, Optum Ventures, Transformation Capital, Emerson Collective, Salesforce Ventures, Town Hall Ventures
4	 Zocdoc	Healthcare marketplace helping millions of patients nationwide find and access in-person or virtual care.	150	Late stage	Francisco Partners
6	 k	Digital primary care services.	132	Late stage	GGV Capital, Valor Equity Partners, Kaiser Permanente, LTS Investments, Max Ventures, Primary Venture Partners, BoxGroup
7	 Paige	Computational pathology products designed to help doctors and patients make more informed treatment decisions.	125	Late stage	Casdin Capital, Johnson & Johnson Innovation – JJDC, Inc., KKR
8	 rightway	Care navigation and pharmacy benefits solutions to simplify healthcare experience.	100	Late stage	Khosla Ventures, Tiger Global, Thrive Capital
9	 LEXEO therapeutics	Clinical stage gene therapy biotechnology company focused on hereditary and acquired diseases of high unmet need.	85	Early stage	Longitude Capital, Omega Funds, Lundbeckfonden Ventures, PBM Capital, Alexandria Venture Investments

FUNDING IN Q1 2021: TOP 20

No.	Company	Description	Funding (M)	Stage	Select Investors
9	 RapidSOS	Emergency response data platform that securely links life-saving data from 350M+ connected devices to emergency services and first responders.	85	Late stage	Insight Partners, Highland Capital, Transformation Capital, Forte Ventures, Alumni Ventures
11	 happify health	Global digital therapeutics platform focused on improving mental and physical health.	73	Late stage	Deerfield Management, Omega Capital Partners, ION Crossover Partners
12	 Vesta healthcare	Clinical provider and technology services organization dedicated to connecting caregiver insights to the rest of the care team.	65	Late stage	Optum Ventures, Oak HC/FT, Deerfield, Kaiser Permanente Ventures, Lux Capital, Generator Ventures, Nationwide
13	 Cambrian	Distributed drug discovery company focused on extending healthy lifespan.	60	Late stage	Apeiron Investment Group, Future Ventures, Catalio Capital Partners, Galaxy Digital
13	 edenhealth	Medical practice that provides digital care, same-day in-person primary care, behavioral health services, and benefits navigation.	60	Late stage	Insight Partners, Amigos Health, Aspect Ventures, Company Ventures, Flare Capital, Max Ventures
13	 immunai	Reprogramming the immune system to advance personalized medicine to better detect, diagnose, and treat disease.	60	Early stage	Schusterman Family Investments, Duquesne Family Office, Catalio Capital Management, Dexcel Pharma, Viola Ventures, TLV Partners
16	 Capital Rx	Changing the way prescriptions are priced, plans managed, and patients serviced through JUDI™, the industry's first enterprise pharmacy platform.	50	Late stage	Transformation Capital, Edison Partners
16	 tytocare™	Telehealth company using AI to transform primary care.	50	Late stage	Insight Partners, Tiger Global Management, Qumra Capital, Qualcomm Ventures, Olive Tree Ventures, Shenzhen Capital Group
18	 Alma	Virtual network of licensed therapists equipped with the tools and services they need to offer high quality, in-network mental health care.	28	Late stage	Insight Partners, Optum Ventures, Tusk Ventures, Primary Venture Partners, Sound Ventures, BoxGroup
19	 SWORD HEALTH	Virtual musculoskeletal (MSK) care provider.	25	Late stage	Transformation Capital, Khosla Ventures, Founders Fund, Green Innovations, Vesalius Biocapital
20	 Calibrate	Modern, medical metabolic health business changing the way the world treats weight.	22.5	Early stage	Redesign Health, Forerunner Ventures, Threshold Ventures

FOUNDER & FUNDER

“AMERICANS SPEND MILLIONS OF DOLLARS BUT ARE NOT LOSING MILLIONS OF POUNDS.

Calibrate is targeting the root cause of our underlying pandemic and putting consumers in control of their metabolic health. As a founder, Isabelle's tenacity, empathy, and thoughtfulness are what make her an exceptional leader and someone we believe will drive the category creation we need to fix a \$600 billion market in the largest category of chronic disease.

KIRA WAMPLER

Venture Chair, Redesign Health



Redesign Health is an investor in **Calibrate**

“OUR MISSION IS TO CHANGE THE WAY THE WORLD TREATS WEIGHT. We're

changing the conversation from willpower to biology. And we're transforming the model for clinical care. Our program makes decades of clinical research available and accessible to consumers—today directly through telemedicine, and tomorrow through a new standard of care delivered in partnership with existing healthcare providers and stakeholders.

ISABELLE KENYON

Founder & CEO, Calibrate



How are you transforming healthcare payments?

“CEDAR HAS RE-DESIGNED THE HEALTHCARE FINANCIAL

EXPERIENCE with the consumer in mind, enabling them to understand and take control of their healthcare bills. Our approach is unique. Cedar combines expertise from consumer-facing industries, like travel, financial services and retail, to facilitate next-level personalization and engagement with consumers in healthcare.

FLORIAN OTTO, MD, PHD

Co-Founder & CEO, Cedar



What characteristics might distinguish successful companies?

“AS THE HEALTH TECH MARKET CONTINUES TO GROW, successful innovators should quickly move beyond minimally viable products to demonstrate market opportunity to their customers through improved quality, decreased costs and/or a better experience. According to investors, scalability and key return on investment metrics will likely separate the most successful companies.

PETER MICCA

National Health Tech Leader, Deloitte & Touche LLP



FOUNDER & FUNDER



Primary Venture Partners
is an investor in **Alma**

“AS A SEED INVESTOR, I INVEST AT THE INTERSECTION of exceptional founders and large markets that are ripe for change. As a long-time customer of therapy, I understand the realities of this fragmented and antiquated market. It was a no-brainer to work with Harry from the earliest concept stages through the evolution of what would eventually become Alma. Four years later, I'm thrilled with its progress and expanding impact on the field.

BRAD SVRLUGA

General Partner,
Primary Venture Partners



“OUR MISSION IS TO SIMPLIFY ACCESS TO HIGH QUALITY, AFFORDABLE mental healthcare for everyone. We're focusing on two big things: expansion and quality of care. We're currently active in New York, New Jersey, Connecticut, Massachusetts, and Florida, with plans to expand nationally to support providers across the country. We're also hyper-focused on improving quality of care, which means building a more equitable mental health industry, getting people to the right care quickly, and focusing on clinical outcomes.

HARRY RITTER, MD

Founder & CEO, Alma



Where are you making the biggest impact?

“IT'S CRITICAL THAT WE CONTINUE TO BRING stakeholders across sectors together to invest in health, not just healthcare. Unite Us has created a new ecosystem of care driven from and by the community. This coordinated infrastructure, comprised of both health care and social services, is the future of how people receive the services they need. To make this a standard for generations, we'll work non-stop in every community to ensure people live healthy and fulfilling lives.

DAN BRILLMAN

Co-Founder & CEO, Unite Us



How are digital therapeutics impacting mental health?

“TODAY, PATIENTS SUFFER IN SILENCE, WITH THEIR CHRONIC conditions typically being amplified by the challenges of their overall mental well-being. The ability to meaningfully engage these patients, through simple and readily available digital tools is a game changer for them. We have already seen the power of digital therapeutics, particularly in mental health, can play in the improvement of both quality of life and patient outcomes for their underlying chronic conditions.

OFER LEIDNER

Co-Founder & President,
Happify Health



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METHODOLOGY

Data used in the creation of this report was obtained from a variety of sources including but not limited to company press releases, EDGAR filings, Crunchbase, Pitchbook, CB Insights and covered the period from 01/01/2021 to 3/31/2021. A company was included if it (1) listed New York City as its corporate headquarters and (2) the company received seed, angel, early-stage or late-stage funding during the period 01/01/2021 to 3/31/2021. Deal date was used to determine placement in Q1. Companies that won grant funding, prize money or acceptance into accelerators/incubators were not included in the analysis.

DISCLAIMER: This report is provided for informational purposes only. Where possible, we verified information obtained through publicly available sources (e.g. company press releases, news reports). If you find an error in the report, please contact us at info@nychbl.com so that we can correct it.

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