

**PEOPLE
POWERED
HEALTH™**



Future of Health

Trends Affecting Health

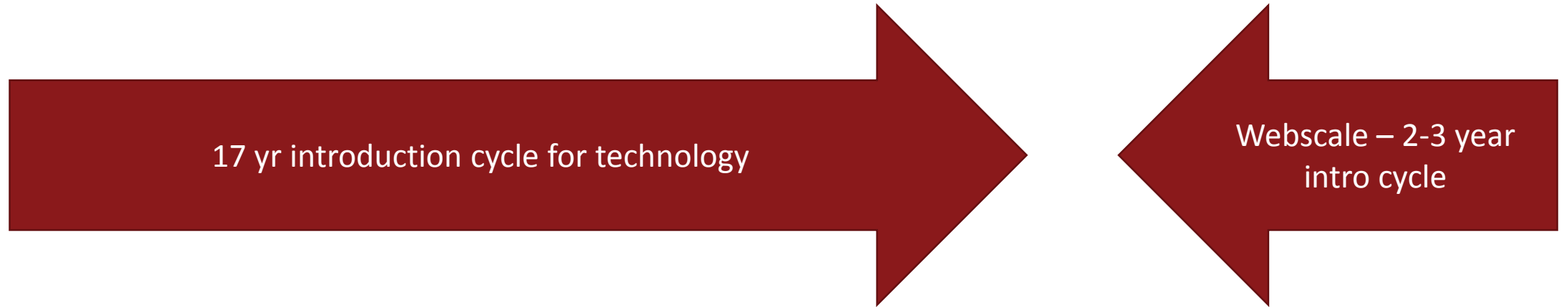
**New paradigm:
The Person**











**Central paradigm:
The system**

Pace of Change Collision

Titantic Wins?



HSO People Centred Quality Framework

 Safety	Keep me safe
 Client-Centred Services	Partner with me and my family in our care
 Worklife	Take care of those who take care of me
 Efficiency	Make the best use of resources
 Appropriateness	Do the right thing to achieve the best results
 Accessibility	Give me timely and equitable services
 Population Focus	Work with my community to anticipate and meet our needs
 Continuity	Coordinate my care across the continuum

Investment: Patient Power

2018 MIDYEAR SUMMARY

Deal volume continued to trend upwards through the first half of 2018, with a total of 414 deals. That's approximately a 20% increase over the first half of 2017. International investments reached hundreds of millions of U.S. dollars for the first time, and these funds are funneling to a broader range of cities than ever before. Globally, investors are on track to nearly double their 2017 investments, demonstrating their long-term commitment as well as the overall growth potential in the market. Together these trends confirm a heightened confidence in the sector.

1 Late-Stage Investment Continues to Grow

Early stage deals still dominate the market volume, but we saw more series B deals (as a percentage of total deals) – and larger series C and D deals – than ever. This resulted in a record first half, with over \$6B total raised.

2 Power to the Patient

Patient empowerment sits at the top as the most funded function (a company's main activity/value driver), and patients are the second most funded end user. Six out of eight top investors made major investments in patient empowerment as well.

3 Less Time Between Early Raises

While seed and series A deals as a percentage of all deals decreased, average time between these two rounds has also decreased.

4 Huge International Deals

Three of the top ten deals of the quarter involved companies based outside the U.S. – Toronto, London, and Zhenjiang. Zhenjiang makes its debut on our list of international hubs, joining Stockholm and Tel Aviv as a top city to watch.

5 China's Funding Surge

China is proving to be the most consistent and well-funded country in the international digital health market, with funding totals in Beijing rivaling major U.S. cities. With well-resourced players like Ping An committed to digital health investments, we expect this trend to continue.

6 Top Investors Cast a Wider Net

Nine of this year's top ten investors are making deals at multiple stages, and five are making deals at every stage. More investors are keeping an eye out for transformative technology and growth potential, regardless of deal size.

THE MOST ACTIVE FUNCTIONS OF 2018 (YTD)

Nearly every function (a company's main activity/value driver) was spearheaded by a \$100M deal, so it's no surprise to see average deal sizes largely diverging from median deal sizes. Despite not having any companies in the largest deals to date this year, population health has attracted consistently large deals with a median deal size of \$20M.

	Function	Total Raised	Deal Count	Avg. Deal Size	Median Deal Size
1	Patient Empowerment	\$1.04B	104	\$11.8M	\$3.4M
2	Biometric Data Acquisition	\$1.02B	36	\$31.0M	\$10.5M
3	Clinical Workflow	\$810M	74	\$13.3M	\$5.4M
4	Admin Workflow	\$752M	63	\$14.5M	\$4.8M
5	Wellness	\$542M	41	\$14.3M	\$9.0M
6	Population Health	\$491M	19	\$28.9M	\$20.0M
7	Research	\$484M	23	\$22.0M	\$12.8M
8	Insurance	\$442M	9	\$49.2M	\$28.3M
9	Personalized Health	\$423M	37	\$12.8M	\$8.0M
10	Education	\$133M	8	\$13.2M	\$16.2M

Disruption

but where is patient starting from?

