2019 marked the ten-year anniversary of NYC Health Business Leaders (NYCHBL), during which we have seen a decade of incredible growth for NYC health start-ups. When Dr. Yin Ho and I co-founded NYCHBL in 2009, our goal was to build an organization that would help connect people passionate about healthcare, because we believed that NYC should be at the center of healthcare innovation given our many assets. Ten years, 55 events and 250 speakers later, New York City has in fact become the epicenter of tech-driven healthcare. It’s rewarding that we’ve been able to play a part in the growth story.

The 2020 report reflects your overwhelming response, inspiring feedback and thoughtful commentary to last year’s report. There are more expert insights, observations and interviews from leading entrepreneurs, investors and advisors. We added data and content around growth areas like digital health, life sciences, digital therapeutics and behavioral health. Importantly, in 2020 we saw 40% growth in both the number of companies financed and dollars invested. And for the first time, we are pleased to present the NYC Digital Health 100 – our list of the 100 most promising NYC start-ups.

We also explore key trends that are driving investment, interest and excitement including:

- **LIFE SCIENCES.** A decade ago, it was hard to name any biotechs calling NYC home. Today it’s a vastly different story as you’ll learn from our dedicated section on the sector’s growth. (See pages 16-19)

- **DIGITAL THERAPEUTICS.** An emerging area that marries therapeutics with technology to drive better patient outcomes, digital therapeutics (DTx) are gaining traction. As we hear from leaders in this exciting space, DTx are poised to change clinical practice and alter the way healthcare is delivered in the future. (See pages 12-13)

- **INVESTOR LANDSCAPE.** Interest in investing in health has gone far beyond the names we have traditionally seen. While pulling together the most active investors in NYC health, we discovered many consumer and tech-focused firms on the list. The thesis is that consumers will drive change and that is borne out by the financing. (See pages 14-15)

Thank you to all who contributed to this report, and a special acknowledgment to Sanofi, our inaugural sponsor, and to Cooley for their data analysis and ongoing support.

As we look ahead to 2020 and beyond, we look forward to continued growth, innovation and transformation in healthcare in NYC.
EXPERT INSIGHTS

Many Thanks to Our Contributors

For our 2020 report, we have assembled an array of esteemed contributors who comprise the who's who in the NYC healthcare ecosystem — the top entrepreneurs, investors and thought leaders.

Sundeep Bhan | Co-Founder & CEO
PROGNOS

Nancy Brown | General Partner
OAK HC/FT

Brenton Fargnoli, MD | Partner
ALLEYCORP

James E. Flynn | Managing Partner
DEERFIELD MANAGEMENT

Jenna Foger | Senior Vice President
Science & Technology
ALEXANDRIA VENTURE INVESTMENTS

Ron Goldman | Co-Founder
KOGNITO

Wendy Goldstein | Partner
COOLEY

Orin Herskowitz | Executive Director
COLUMBIA TECHNOLOGY VENTURES

Trip Hofer | CEO
ABLETO

Walter Jin | Chairman & CEO
PAGER

Bozidar Jovicic MD, MBA
VP | Global Head of Digital Therapeutics
SANOFI

Taylor Justice | Co-Founder & President
UNITE US

Eric Kinariwala | Founder & CEO
CAPSULE

David Benshoof Klein | Co-Founder & CEO
CLICK THERAPEUTICS

Steve Kraus | Partner
BESSEMER VENTURE PARTNERS

Ofer Leidner | Co-Founder & President
HAPPIFY HEALTH

Hua Lin, PhD | Chief Scientific Officer & Co-Founder
FORKHEAD BIO THERAPEUTICS

Michael Meng | CEO
STELLAR HEALTH

Emily Minkow | Chief Business Officer
PREVAIL THERAPEUTICS

Patrick Pilch | Senior Managing Director & National Healthcare Practice Leader
BDO

Trevor Price | CEO, OXEON HOLDINGS
General Partner, TOWN HALL VENTURES

Raju Rishi | General Partner
RRE VENTURES

Carlo Rizzuto, PhD | Partner
VERSANT VENTURES

Brad Svruga | Co-Founder & General Partner
PRIMARY VENTURE PARTNERS

Nina Tandon, PhD | CEO & Co-Founder
EPIBONE

Chris Wasden | Head of HappifyDTx
HAPPIFY HEALTH

Rod Wong, MD | Chief Investment Officer & Managing Partner
RTW INVESTMENTS
2019 BY THE NUMBERS

117 HEALTH COMPANIES RECEIVED $2.6B IN FUNDING IN 2019

FUNDING BY STAGE

- 30% Late stage VC
- 34% Series A
- 23% Series B
- 8% Other Early stage VC
- 5% Seed/Angel

FUNDING BY SECTOR

- 42% Life Sciences
- 46% Digital/Tech-enabled
- 6% Delivery/Providers
- 6% Diagnostics & Devices

EXITS

<table>
<thead>
<tr>
<th>Company</th>
<th>Acquired by</th>
<th>Deal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>medidata</td>
<td>Dassault Systèmes</td>
<td>$5.7 Billion</td>
</tr>
<tr>
<td>CROSSIX</td>
<td>Veeva Systems</td>
<td>$550 Million</td>
</tr>
<tr>
<td>Progenics</td>
<td>Lantheus</td>
<td>$520 Million (estimated)</td>
</tr>
</tbody>
</table>

IPOS

YEAR OVER YEAR

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td># Companies Financed</td>
<td>117</td>
<td>83</td>
<td>41%</td>
</tr>
<tr>
<td>Overall Investment</td>
<td>$2.6 Billion</td>
<td>$1.85 Billion</td>
<td>41%</td>
</tr>
</tbody>
</table>
DIGITAL HEALTH ECOSYSTEM

New York State of Mind

Over the past ten years, since the inception of NYCHBL, we have seen a dramatic increase in the number of digital health businesses in NYC. Companies like WebMD, Medidata, Crossix, and EverydayHealth paved the way for a new generation of startups, creating a fertile breeding ground for innovation and transformation of the digital health space. Here’s why leading investors and entrepreneurs are bullish on New York’s growth.

THE NUMBER OF TECH-ENABLED and digital healthcare companies has exploded. Five years ago, we had just one company in NYC. Now we have at least 6-7 teams with a presence: Galileo, Maven, Quartet, Unite Us to name a few.

NANCY BROWN
General Partner, Oak HC/FT

BEING IN NYC AND BEING FOCUSED ON NYC makes our lives related to deal flow a lot easier, and it makes us as investors more impactful since we’re not chasing deals in the Bay Area, Austin, Chicago, or anywhere else. Our ability to support entrepreneurs with resources that are generally not more than 20–30 minutes away is a key differentiator.

RAJU RISHI
General Partner, RRE Ventures

THE ECOSYSTEM HAS EVOLVED SIGNIFICANTLY OVER THE LAST DECADE. I started a company in 2000 and at that time, Boston and California were the hubs of startup innovation and VC. Today, NYC is faster growing than any other city and we have the technical talent to sustain it.

SUNDEEP BHAN
Co-Founder & CEO, Prognos

I’VE BEEN PART OF THE NYC DIGITAL HEALTH ECOSYSTEM for more than 20 years. Prognos is my third company. What’s different today besides the sheer number of start-ups is that larger healthcare companies are more collaborative and open to having a dialogue with innovators.

BRAD SVRLUGA
Co-Founder & General Partner, Primary Venture Partners
# Digital Health Investments in 2019

<table>
<thead>
<tr>
<th>No.</th>
<th>Company</th>
<th>Description</th>
<th>Funding (MM)</th>
<th>Stage</th>
<th>Select Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Capsule</td>
<td>Rebuilding the pharmacy industry, enabling customized outcomes for doctors, hospitals, insurers, and manufacturers.</td>
<td><strong>$200</strong></td>
<td>Late stage VC</td>
<td>TCV, Glade Brook Capital, M13, Thrive Capital, University Growth Fund, Oxeon Ventures</td>
</tr>
<tr>
<td>2</td>
<td>RO</td>
<td>Direct-to-consumer telehealth company with brands Roman, Rory and Zero.</td>
<td><strong>$85</strong></td>
<td>Early stage VC</td>
<td>FirstMark Capital, PROOF Fund, Evolution VC Partners, TQ Ventures, Sand Hill Angels, J Ventures</td>
</tr>
<tr>
<td>3</td>
<td>Quartet</td>
<td>Improves behavioral health delivery for patients, providers, and payers.</td>
<td><strong>$67.5</strong></td>
<td>Late stage VC</td>
<td>Centene, GV, Echo Health Ventures, Polaris Partners, Oak HC/FT, Deerfield Management, F-Prime Capital</td>
</tr>
<tr>
<td>4</td>
<td>Cityblock</td>
<td>Provides personalized primary care, behavioral health care, and social services for underserved urban populations.</td>
<td><strong>$65</strong></td>
<td>Early stage VC</td>
<td>Redpoint Ventures, Emblem Health, Thrive Capital, Oxeon Ventures, Town Hall Ventures, Maverick Ventures</td>
</tr>
<tr>
<td>5</td>
<td>Candid</td>
<td>Provides teeth alignment technology designed to be hassle-free.</td>
<td><strong>$63.4</strong></td>
<td>Early stage VC</td>
<td>Greyrock Partners, Bracket Capital, Bessemer Venture Partners, Riverpark Ventures, Funtail Ventures</td>
</tr>
<tr>
<td>6</td>
<td>Noom</td>
<td>Direct-to-consumer weight loss and exercise tracking mobile applications.</td>
<td><strong>$58</strong></td>
<td>Late stage VC</td>
<td>Sequoia, Samsung Venture Investment, TransLink Capital, Aglae Ventures, Primary Venture Partners, RRE Ventures</td>
</tr>
<tr>
<td>7</td>
<td>Talkspace</td>
<td>Offers affordable and confidential online therapy with network of licensed therapists.</td>
<td><strong>$50</strong></td>
<td>Late stage VC</td>
<td>Revolution Group, Top Tier Capital Partners, Nomura Capital Partners, Spark Capital, Compound, Norwest Venture Partners</td>
</tr>
<tr>
<td>8</td>
<td>Paige</td>
<td>Transforming cancer diagnosis, treatment and prevention through cutting-edge AI.</td>
<td><strong>$45</strong></td>
<td>Early stage VC</td>
<td>Breyer Capital, HealthCare Ventures, Kenan Turnacioglu</td>
</tr>
<tr>
<td>9</td>
<td>OneDrop</td>
<td>Harnesses mobile computing and data science to transform the lives of people with diabetes.</td>
<td><strong>$40</strong></td>
<td>Early stage VC</td>
<td>Bayer, Innova Capital Partners, FJ Labs, RRE Ventures</td>
</tr>
<tr>
<td>10</td>
<td>UniteUs</td>
<td>Provides care coordination platform bringing together healthcare and social services.</td>
<td><strong>$35</strong></td>
<td>Early stage VC</td>
<td>Oak HC/FT; Scout Ventures, Town Hall Ventures, Omidyar Network, New York Ventures, Blossom Street Ventures</td>
</tr>
<tr>
<td>11</td>
<td>Nomad</td>
<td>Full-service marketplace for healthcare jobs.</td>
<td><strong>$34</strong></td>
<td>Late stage VC</td>
<td>Polaris Partners, First Round Capital, RRE Ventures, 406 Ventures, Icon Ventures, Silicon Valley Bank, AlleyCorp</td>
</tr>
</tbody>
</table>

**EARLY STAGE:** Seed/Angel, Series A, Series B  |  **LATE STAGE:** Series C and beyond
<table>
<thead>
<tr>
<th>No.</th>
<th>Company</th>
<th>Description</th>
<th>Funding (MM)</th>
<th>Stage</th>
<th>Select Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>PeerBridge</td>
<td>Connects patients and consumers to leading wellness professionals and remote monitoring.</td>
<td>$31.8</td>
<td>Late stage VC</td>
<td>Ascent Biomedical Ventures, Northwell Ventures</td>
</tr>
<tr>
<td>13</td>
<td>tend</td>
<td>Dental clinic intended to improve dental visit and entire wellness experience.</td>
<td>$31.1</td>
<td>Early stage VC</td>
<td>Redpoint Ventures, Juxtapose, Tusk Ventures, Oxeon Ventures</td>
</tr>
<tr>
<td>14</td>
<td>Aetion</td>
<td>Real-world evidence and outcomes-based analytics solutions for life science companies and payers.</td>
<td>$29.4</td>
<td>Early stage VC</td>
<td>McKesson Ventures, Sanofi Ventures, Flare Capital Partners, Lakestar, Oxeon Ventures, New Enterprise Associates</td>
</tr>
<tr>
<td>15</td>
<td>rightway</td>
<td>Optimizes healthcare expenditure for employers and employees through patient navigation and analytics.</td>
<td>$28</td>
<td>Early stage VC</td>
<td>Thrive Capital, Rizk Ventures</td>
</tr>
<tr>
<td>16</td>
<td>kindbody</td>
<td>National network of boutique locations for women’s healthcare.</td>
<td>$27</td>
<td>Early stage VC</td>
<td>GV, RRE Ventures, Perceptive Advisors, Winklevoss Capital, Trail Mix Ventures, Green D Ventures</td>
</tr>
<tr>
<td>17</td>
<td>HealthReveal</td>
<td>AI solution for clinicians and patients to help diagnose and treat chronic disease.</td>
<td>$26.6</td>
<td>Early stage VC</td>
<td>GE Ventures, Manatt Venture Fund, Northwell Ventures, Flare Capital Partners, Greycroft Partners, Revelation Partners</td>
</tr>
<tr>
<td>18</td>
<td>Parsley Health</td>
<td>Holistic personalized medicine designed to reverse chronic illness and optimize health.</td>
<td>$26</td>
<td>Early stage VC</td>
<td>White Star Capital, Arkitekt Ventures, FirstMark Capital, Alpha Edison, Trail Mix Ventures, FJ Labs</td>
</tr>
<tr>
<td>19</td>
<td>Thrive Global</td>
<td>Offers companies and individuals sustainable, science-based solutions to enhance well-being, performance, and purpose.</td>
<td>$25</td>
<td>Early stage VC</td>
<td>JAZZ Venture Partners, Canvas Ventures, Greycroft, IVP, Lerer Hippeau, Female Founders Fund</td>
</tr>
<tr>
<td>20</td>
<td>CareDox</td>
<td>Delivers free health technology for K-12 public schools.</td>
<td>$24.3</td>
<td>Late stage VC</td>
<td>Oakhouse Partners, B Capital Group, Echelon Capital, Digitalis</td>
</tr>
<tr>
<td>21</td>
<td>sesame</td>
<td>Connects patients with medical professionals to get appropriate treatment at a reasonable cost.</td>
<td>$23.7</td>
<td>Early stage VC</td>
<td>Undisclosed</td>
</tr>
<tr>
<td>22</td>
<td>Happily Health</td>
<td>Delivers safe, effective digital therapeutics that empower users to improve their mental and physical health.</td>
<td>$20.2</td>
<td>Late stage VC</td>
<td>TT Capital Partners, Mangrove Capital Partners, Founder Collective, Bridge Builders Collaborative</td>
</tr>
<tr>
<td>23</td>
<td>AICure</td>
<td>AI and advanced data analytics company targeting the health care industry.</td>
<td>$16.8</td>
<td>Late stage VC</td>
<td>Palisades Growth Capital, Baird Capital, Accelmed, New Leaf Ventures, Tribeca Venture Partners</td>
</tr>
<tr>
<td>24</td>
<td>Capital Rx</td>
<td>Next generation PBM overseeing self-insured prescription benefit plans.</td>
<td>$16</td>
<td>Early stage VC</td>
<td>Edison Partners, Emerald Development Managers</td>
</tr>
<tr>
<td>24</td>
<td>Healthify</td>
<td>Helps organizations address the social determinants of health.</td>
<td>$16</td>
<td>Early stage VC</td>
<td>SV Health Investors, Blue Cross Blue Shield Venture Partners, Activate Venture Partners, Primary Venture Partners, Kapor Capital</td>
</tr>
<tr>
<td>24</td>
<td>Lively</td>
<td>Online audiology platform for hearing devices.</td>
<td>$16</td>
<td>Early stage VC</td>
<td>Tiger Management, Declaration Capital</td>
</tr>
</tbody>
</table>
Talent Sets
NYC Apart

Our people, by far, are one of NYC’s greatest strengths. The wealth of scientific, medical, and technology expertise across the health sector is significant. Fueled by top universities, health systems and big pharma in the region, NYC offers an unparalleled diversity of industries and talent. We asked company founders and funders to describe how the city’s talent pool has helped them succeed.

**CARLO RIZZUTO, PHD**
*Partner, Versant Ventures*

**TURNSTONE BIOLOGICS IS A REALLY GOOD EXAMPLE** of how you can build an experienced management team in NYC. The technology comes from Canada, but the CEO lives in NY and wanted to stay here. He’s been able to take advantage of talent from Big Pharma in NJ and local biotech. They’ve assembled a great team.

**EMILY MINKOW**
*Chief Business Officer, Prevail Therapeutics*

**WE’VE HIRED A LOT OF POSTDOCS** out of the various NY universities, and from the tristate area, who are experienced in pharma. We have top key opinion leaders right here in NYC who are part of our studies. It’s been exciting to see the biotech community grow.

**RON GOLDMAN**
*Co-Founder, Kognito*

**THE TALENT POOL IS NOT JUST HIGH QUALITY,** it is filled with candidates who seek opportunities to do well by doing good. This aligns well with a mission-driven company like Kognito.

**BRENTON FARGNOLI, MD**
*Partner, AlleyCorp*

**TECH ALONE OR HEALTHCARE ALONE** is unlikely to solve healthcare’s most complicated problems. NYC’s unique diversity allows founders to create multi-disciplinary teams from the beginning, embedding it in the startup’s DNA.

**ERIC KINARIWALA**
*Founder & CEO, Capsule*

**BUILDING A COMPANY** that is at the intersection of retail, healthcare, and technology, we realized the need to attract talent across a broad range of industries. Given NYC’s diversity, it has been the perfect city to recruit the best in class industry experts.

**SUNDEEP BHAN**
*Co-Founder & CEO, Prognos*

**WITHIN A 60-MILE RADIUS,** you have some of the most brilliant people that you can access. The universities, adtech and fintech sectors, and healthcare workers provide a great pool of young talent and thought leadership.
Tips from the Top

Investors and entrepreneurs are the lifeblood of our start-up ecosystem. We asked leaders on the frontlines to share advice and insights for aspiring founders and early-stage CEOs. Their responses may surprise you.

**Great Leadership Teams Create Great Value.** The three main things I look for are: immense grit and resilience; intellectual curiosity or IQ; emotional intelligence or EQ.

TREVOR PRICE
CEO, Oxeon Holdings;
General Partner, Town Hall Ventures

Just because it hasn’t been done, doesn’t mean you can’t do it. If you play in someone else’s box, it limits you. At Unite Us, we go solve the impossible; after all, it’s only impossible until you make it possible.

TAYLOR JUSTICE
Co-Founder & President, Unite Us

We look for the ability to be a leader and have people who want to follow you. Humility is huge. We want to work with open-minded entrepreneurs who are willing to iterate and take feedback.

NANCY BROWN
General Partner, Oak HC/FT

An old friend always reminds me to “Win by winning,” which is my shorthand for remembering that leaders have always had to be great at separating signal from noise — both as decision makers, but also as communicators.

ERIC KINARIWALA
Founder & CEO, Capsule

Don’t skimp on investing in legal counsel up front to help with company formation. The way you structure a company has many ramifications down the line, particularly for fundraising.

NINA TANDON, PHD
CEO & Co-Founder, EpiBone

ROI, ROI, ROI. Tailor your products to deliver ROI. Come up with the ways to measure it, refine it, and tweak it. If you have ROI and the data to support it, that will win the day.

STEVE KRAUS
Partner, Bessemer Venture Partners

Get executive coaching. Does Nadal or Federer have a coach? It doesn’t matter who you are, if you want to perform at the top of your game, you should have coaching.

MICHAEL MENG
CEO, Stellar Health

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# NYC Digital Health 100

## Analytics
- abacus insights
- AETION
- COTA
- COVERA HEALTH
- HealthReVeal
- MediQure
- OWKIN
- Prognos health
- risalto
- Verana Health

## Behavioral Health
- AbleTo
- noom
- Quartet
- spring health
- talkspace
- TEMPEST

## Care Coordination
- CareDox
- CipherHealth
- Mavencare
- pager
- rightway
- Vesta
- VirtualHealth

## Delivery Models
- edenhealth
- Force
- galileo
- Parsley Health
- SMART VISION LABS
- stellarhealth
- THE WELL
- tyto care

## Fertility
- Dad
- Extend Fertility
- kindbody
- Maven
- overture
- progyne

## Digital Therapeutics
- ClickTherapeutics
- Happify Health
- One Drop

## Direct-to-Consumer
- HERO
- Lively
- ro
- SimpleContacts

## Clinical Trials
-AiCure
-TrialSpark

## Insurance/Benefits
- CENTIVO
- Wellthie
- zipari

## Security
- CYLERA
- Medigate

## Provider Tools
- betterPT
- BiDigital
- CredSimple
- cureatr
- doctor.com
- ELIGIBLE
- Headway
- Klara
- MD Calc
- Nomad
- Parachute Health
- Playback Health
- referwell
- RubiconMD
- Rx Health

## Social Determinants of Health
- Benefly
- CITYBLOCK
- Healthify
- Healthstream
- UNITE US
- Welthy

## Patient Engagement
- BELONG.LIFE
- Cecelia Health
- Cedar
- cohoro health
- jumo health
- Kognito
- sesame
- slingshot health
- survivor.net

## Security

## Diagnostics & Monitoring
- ezra
- I M A G E N
- nanowear
- Ocuglogica
- PAIGE
- Peerbridge
- Phosphorus
- somatiX

## Pharmacy
- BLINK HEALTH
- Capital Rx
- Capsule
- Medly
- Truveris
- zip drug

## Dental
- Candid
- Quip
- Simplify
- Tend
Deerfield to Create Bold Life Sciences Campus

Deerfield Management is one of the most prominent healthcare investors in the world. They impact all areas of healthcare by focusing on advancing healthcare through investment, information and philanthropy. In September 2019, they announced the purchase of 345 Park Avenue South to create a transformative life sciences campus in NYC. We sat down with Deerfield Management’s Managing Partner, James E. Flynn, to learn more about his vision for this bold innovation campus.

Deerfield’s decision to purchase a building and launch a 300,000 square foot innovation campus is incredibly exciting! What was the impetus behind this idea?

There remains a need and an important opportunity to provide specialized support to biotech and healthcare start-ups which is currently not being sufficiently addressed in NYC. Through the launch of our innovation campus and our ongoing academic partnerships, we’re investing in early-stage research in NYC because we believe this is where Deerfield can add value to the healthcare system.

What will this mean for NYC’s start-up community?

Deerfield has expertise in all areas of healthcare, including medical technology and all forms of healthcare services (including software, AI) and is skilled at navigating the complex crosscurrents in the healthcare and financial industries. The creation of Deerfield’s innovation campus will create an ecosystem where the community can benefit from those capabilities. We are creating a network in the building that will serve as the foundation and infrastructure for optimizing and accelerating all areas of the ecosystem. With the specialized capabilities of the innovation campus, including its educational programming, we intend to enhance and help optimize NYC’s position as the next national hub in the biotech/medical device, digital health and healthcare service arenas.

What types of companies will benefit the most from it?

New and growing enterprises face the challenge of simultaneously executing complex business strategies, building world-class operating teams, creating partnerships, and a wide range of other critical functions with limited resources. To address this, the companies located in our innovation campus will have access to a suite of services designed to enhance company success and growth while reducing timelines to value-creating events and overall costs. While many companies require significant support early in the life cycle, these capabilities are structured in a manner to assist businesses across all stages of maturity, from formation to a successful launch of products.
Digital Therapeutics are still not well understood. Explain how they differ from digital health tools.

**BOZIDAR JOVICEVIC:**
Digital therapeutics (DTx) are a sub-category of digital health. At Sanofi, we define it as non-pharmacological, primarily tech-driven solutions that either stand alone or when combined with drugs do two things: improve patient outcomes and drive business impact. There is typically a mobile app, service like a coach, and possibly a sensor as part of it.

**DAVID B. KLEIN:**
One of the primary differentiators is that DTx treat diseases and disorders, as opposed to primarily supporting wellness, pharmacotherapy adherence, clinical decision support, etc. Additionally, digital therapeutics are clinically validated through robust clinical trials and developed in accordance with relevant FDA, ISO and IEC standards.

**CHRIS WASDEN:**
DTx are evidence-based interventions delivered through software to prevent, treat or manage a disease. They require clinical evidence or real-world outcomes, and can be used independently or alongside other treatments for a patient’s benefit.

What’s novel about DTx? Why are you so bullish on its promise?

**BOZIDAR JOVICEVIC:**
DTx are about behavior change, which is one of core determinants of health. About 86% of all healthcare costs are caused by diseases that can be either modified or reversed through behavior change. That’s why DTx are so exciting to me.

**DAVID B. KLEIN:**
When we founded Click in 2012, it was clear that the mobile phone was changing people’s behavior. We launched Click based on the premise that delivering treatment through mobile apps, and engaging with patients

“About 86% of all healthcare costs are caused by diseases that can be either modified or reversed through behavior change. That’s why DTx are so exciting to me.”

**BOZIDAR JOVICEVIC, MD, MBA**
VP, Global Head of Digital Therapeutics
Sanofi

**DAVID BENSCHOF KLEIN**
Co-Founder & CEO
Click Therapeutics

**OFER LEIDNER**
Co-Founder & President
Happify Health

**CHRIS WASDEN**
Head of HappifyDTx
Happify Health
where they are, could drive significant clinical outcomes.

**OFER LEIDNER:** We are using our passion for evidence-based behavioral interventions in positive psychology, cognitive behavioral therapy, mindfulness and others to focus on creating digital therapeutic solutions that address disease specific needs that are FDA cleared as prescription digital therapies (PDT), and prescribed by physicians. Happify Health's digital therapeutics solutions promise to deliver safe, evidence-based therapeutic interventions to treat, manage or improve people's physical or mental health through meaningful behavior change, enabling them to live fuller, happier lives.

**Q** What are the biggest opportunities associated with DTx?

**BOZIDAR JOVICEVIC:** The biggest opportunity is to develop a prescription go-to market model. This would mirror the typical development and regulatory pathways for medical devices, and would include pivotal studies, FDA submission, potential approval, and physician adoption. Patients would access the digital therapeutic through a prescription written by a doctor. We prefer this model vs going through employers and payors without FDA approval. Although that pathway is viable and faster, potential forecasts for those products are smaller. The prescription path is slower but a much bigger opportunity.

**CHRIS WASDEN:** Partnering with pharma companies to modify and customize our metacondition therapy to address the specific issues and nuances of the disease that they already treat is a huge opportunity. We recently announced 10-year collaboration with Sanofi to leverage the Happify digital therapeutics platform to develop and deliver a digital MS therapy. Sanofi and Happify Health view this collaboration as the beginning of a long-term effort to use technology to improve outcomes in a cost-effective, accessible and patient-engaging way.

**“DTx will become solidified as a new category of medicine, beginning initially in diseases where there are strong behavioral components that affect outcomes.”**

**DAVID B. KLEIN, CLICK THERAPEUTICS**

**Q** How will DTx will change clinical practice over the next decade?

**BOZIDAR JOVICEVIC:** Our vision at Sanofi is that we believe digital therapeutics will be a part of daily practice. Physicians may prescribe insulin for diabetes, but they'll also prescribe a DTx that offers patients a coach, sensor glucometer, mobile app and everything else they need to be successful in behavior change.

**DAVID B. KLEIN:** DTx will become solidified as a new category of medicine, beginning initially in diseases where there are strong behavioral components that affect outcomes and where non-pharmaceutical treatments are often recommended as the first line of treatment, but for which access to such treatments is limited.

**Q** Bozi, what recommendations do you have for entrepreneurs hoping to partner with Sanofi?

**BOZIDAR JOVICEVIC:** First, have a really good product. You must be at a certain level of maturity before you reach out. We like to see some sort of traction — a clinical trial, customers, great engagement results, a solid team. It takes a minimum of two years to achieve this, but more like four to five. Reach out to pharma when you’re able to show us you’re ready. Second, identify an internal champion to navigate the complex maze that Big Pharma presents. Third, inject urgency or scarcity by working with several pharma companies at once. Sometimes your enemy is inertia. If you’re working with multiple companies, then chances are higher that things will move faster.
### MOST ACTIVE

#### Investors in NYC Healthcare

<table>
<thead>
<tr>
<th>Investor</th>
<th># NYC Investments</th>
<th>NYC Companies</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexandria Venture</td>
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<td>Applied Therapeutics, ENB Therapeutics, Gencove, Gotham Therapeutics, Intra-Cellular Therapies, Kallyope, Lodo Therapeutics, Magnolia Neurosciences, MeiraGTx, MouSensor, Petra Pharma, Prevail Therapeutics, Quentis Therapeutics, Rgenix, X-Vax Technology, Yesse Technologies, Zentalis Pharmaceuticals</td>
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<td>Alma, Blink Health, Hero, K Health, Level, Maven, One Drop, Oscar, Ro</td>
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<td>G/</td>
<td>7</td>
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<td>Investor</td>
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<td>Focus</td>
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<td>581x38</td>
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<td>FIRSTMARK</td>
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<td>VERSANT</td>
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<td>BESSEMER VENTURAL</td>
<td>4</td>
<td>Candid, Centivo, K Health, Torch Technology</td>
<td>Multiple industries</td>
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<td>town hall</td>
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<td>Aetion, Cityblock Health, Torch Technology, Unite Us</td>
<td>Healthcare</td>
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<tr>
<td>OrbiMed</td>
<td>4</td>
<td>Meves Pharmaceuticals, Prevail Therapeutics, SmartZyme Biopharma, Turnstone Biologics</td>
<td>Healthcare</td>
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</tbody>
</table>
Life Sciences NYC

NYC has always had the raw materials to become a biotech powerhouse – renowned academic medical centers, world-class physicians and scientists, Big Pharma nearby and access to financial markets. But impediments like lack of wet lab space, seasoned talent and low investor interest held the city back. Most recently, NYC has addressed these obstacles through public, private and joint initiatives, and in response, the life sciences market has gained traction. We’ve chronicled a timeline of key milestones and spoke to some of the leaders responsible for the significant growth.

KEY EVENTS
Incubators

Lack of affordable and accessible lab space in NYC was seen as a major challenge, but the proliferation of incubators and accelerators over the past decade has helped turn the situation around. Professor Eva Cramer launched one of the first at SUNY Downstate in Brooklyn. Today there’s ELabNYC, BioBAT, Harlem Biospace, Alexandria LaunchLabs, J Labs, BioLabs, and most recently, IndieBio.

VERSANT IS HISTORICALLY A WEST COAST FIRM. When we had the discussion about establishing an East Coast presence, we were attracted to New York because we saw so much untapped opportunity. There was a lot of high-quality academic science but virtually no biotech. As a company-building firm, we knew we could leverage the science and access the financial community.

ALEXANDRIA BUILDS ECOSYSTEMS CENTERED AROUND COLLABORATIVE urban campuses where life science and tech companies want to be. We look for four main attributes to underlie our core cluster markets: location dynamics, innovation, talent and capital. The science coming out of New York’s leading academic medical centers, the density and diversity of NYC’s patient population, and the ability to attract talent and capital were all compelling drivers. We came here to provide real estate, specialized infrastructure, venture capital, strategic programming, and community building — all critical elements for nurturing an ecosystem.

NYC’S MANY LIFE SCIENCE INCUBATORS AND ACCELERATORS, including those run at Columbia as part of our Lab-to-Market Accelerator Network, pair high-potential inventions with the tools they need to successfully launch. These include connections to mentors and advisors from industry and venture capital; small amounts of validation capital; education in entrepreneurship and technology commercialization; access to executives in residence; and ultimately opportunities to pitch to venture funders.

Pioneers

CARLO RIZZUTO, PHD
Partner,
Versant Ventures

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Senior Vice President,
Science & Technology,
Alexandria Venture Investments

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HUA LIN, PHD
Chief Scientific Officer & Co-Founder,
Forkhead BioTherapeutics

INCUBATORS ARE CRITICAL. We’re at Alexandria LaunchLabs, a vibrant community of more than 20 early-stage companies on the same floor. We have different areas of focus, so there’s a sense of camaraderie rather than competition. It’s amazing how much useful information is shared just from being in the incubator.

ORIN HERSKOWITZ
Executive Director,
Columbia Technology Ventures

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NEW YORK'S BIOTECH

Future is Bright

A decade ago, it was hard to name one biotech based in NYC. Today there are several dozen companies using cutting-edge science to address important unmet needs in the market. These advances have the potential to dramatically impact and improve health.

Forkhead’s mission is to develop a pill that can replace insulin injections while achieving better blood sugar control for the treatment of diabetes. The pill will not require refrigeration or cause low blood sugar, and could have a tremendous impact for underserved patients without consistent electricity or access to endocrinologists who can prescribe insulin and teach patients how to safely use it.

Hua Lin, PhD
Chief Scientific Officer & Co-Founder, Forkhead BioTherapeutics

Prevail Therapeutics is a developmental stage biotech company focused on neurodegenerative diseases, many of which have no disease-modifying therapies available. It was founded in collaboration with a patient, Jonathan Silverstein, who is also one of the managing partners at OrbiMed. I was employee #6. It’s an exciting time for gene therapy especially with the increased understanding of the human genetics behind CNS diseases.

Emily Minkow
Chief Business Officer, Prevail Therapeutics

Success breeds success. If we keep turning out opportunities that are really differentiated and compelling, talented people tend to follow.

Jenna Fogel
Senior Vice President, Science & Technology, Alexandria Venture Investments

I’m very bullish on NYC’s emerging biotech landscape although we need to be realistic about the pace with which it will develop. What’s really exciting is that it’s not just Versant driving things. Other top-tier, experienced venture investors like Orbimed, Polaris, Arch and Flagship have been backing companies here. These are blue chip biotech VC’s.

Carlo Rizzuto, PhD
Partner, Versant Ventures

We’ve made quite a few investments in NYC over the last 15 years. Two notable companies include Rocket Pharma, a gene therapy platform company, and Immunovant, which is developing an antibody depleting FcRn, a drug class we expect will become a cornerstone therapy for autoimmune diseases. We took Rocket public in January 2018, and we’re proud to report it is the largest gene therapy company in New York and the sixth largest in the US.

Rod Wong, MD
Chief Investment Officer & Managing Partner, RTW Investments

Carlo Rizzuto, PhD
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# Top 10 Life Sciences Investments in 2019

<table>
<thead>
<tr>
<th>No.</th>
<th>Company</th>
<th>Description</th>
<th>Therapeutic Focus</th>
<th>Funding (MM)</th>
<th>Select Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stealth biotechnology company developing proprietary therapies focused on oncology.</td>
<td>Oncology</td>
<td>$275</td>
<td>Omega Funds, Fidelity Investments, Aisling Capital, Boxer Capital, EcoR1 Capital</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Schrödinger</td>
<td>Accelerates drug discovery and materials science design using a physics-based computational platform.</td>
<td>Drug Discovery</td>
<td>$107.8</td>
<td>WuXi AppTec, Bill &amp; Melinda Gates Foundation, Deerfield Management, GV, Qiming Venture Partners</td>
</tr>
<tr>
<td>4</td>
<td>Caelum</td>
<td>Develops treatments for rare and life-threatening conditions. Its lead asset targets amyloidosis.</td>
<td>Rare Diseases</td>
<td>$69.9</td>
<td>Alexion Pharmaceuticals</td>
</tr>
<tr>
<td>5</td>
<td>NeuGene</td>
<td>Brings life-changing genetic medicines to patients and families affected by rare neurological disorders.</td>
<td>Neurology/CNS, Rare Diseases</td>
<td>$68.5</td>
<td>Samsara BioCapital, EcoR1 Capital, Cormorant Asset Management, Redmile Group</td>
</tr>
<tr>
<td>6</td>
<td>HiberCell</td>
<td>Focused on tumor dormancy detection and therapeutics.</td>
<td>Oncology</td>
<td>$60.8</td>
<td>ARCH Venture Partners, Celgene, Hillhouse Capital Group, 6 Dimensions Capital, NYCEDC</td>
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<tr>
<td>7</td>
<td>X-VAX</td>
<td>Developing vaccines against pathogens acquired by mucosal infection such as herpes.</td>
<td>Infectious Diseases</td>
<td>$56.5</td>
<td>Johnson &amp; Johnson Innovation, Alexandria Venture Investments, Serum Institute Of India, Founders Fund, New Ventures Funds</td>
</tr>
<tr>
<td>8</td>
<td>Prevail</td>
<td>Develops gene therapies for patients with Parkinson’s disease and other neurodegenerative disorders.</td>
<td>Neurology/CNS</td>
<td>$50</td>
<td>Orbimed, RA Capital, EcoR1 Capital, Alexandria Venture Investments, Omega Funds, BVF Partners</td>
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<tr>
<td>9</td>
<td>Stelexis</td>
<td>Targets pre-cancerous stem cells to discover and develop transformative therapies for cancer.</td>
<td>Oncology</td>
<td>$43</td>
<td>Deerfield Management</td>
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<tr>
<td>10</td>
<td>Immunovant</td>
<td>Clinical-stage biopharma focused on enabling normal lives for patients with autoimmune diseases.</td>
<td>Autoimmune Diseases</td>
<td>$39.8</td>
<td>RTW Investments, Roivant</td>
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</tbody>
</table>
Given that 2020 is an election year and healthcare is a major part of the conversation, it is likely there will be some tightening of financing. But the forces of change that have already been unleashed will continue to propel the industry ahead: consumerism, new delivery models, value-based payments, personalized care, focus on underserved populations and technologies like AI and VR.

**Walter Jin**
Chairman & CEO, Pager

**Artificial Intelligence Will Play** a more pivotal role as organizations develop more engaging and personalized experiences for patients, including assisted communication and navigation, recommended next best actions and proactive data insights.

**Taylor Justice**
Co-Founder & President, Unite Us

**We’ll See Both Consolidation and New Entrants** into the SDOH market, because both healthcare and VC are interested in identifying solutions: either build it or buy it. I think we’ll also see community-based organizations (CBOs) becoming part of the contracting process for value-based care with states, and philanthropy leading the way to support complete care and social innovations.

**Ron Goldman**
Co-Founder, Kognito

**The Continued Push Towards Personalization** of healthcare and the role patient-centered communication will play in improving patient engagement and health outcomes.

**Wendy Goldstein**
Partner, Cooley

**We Will Continue to See Advances in the Development** of drugs and biologics including gene therapy. Due to the cost of these new treatments, government and private payors will be experimenting with risk sharing agreements and other innovative contracting. 2020 also will see the continuation of developments at the state and federal levels in transparent health care.

**Steve Kraus**
Partner, Bessemer Venture Partners

**The Continued Verticalization of the Healthcare Industry.** We’ll see companies that build great products in specific verticals like kidney or musculoskeletal (MSK) care, where the patient profile, treatment regimen, and care system are aligned.

**Walter Jin**
Chairman & CEO, Pager

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Behavioral Health Spotlight

Using technology to treat and manage behavioral health is a relatively new concept, and NYC has attracted many behavioral health tech start-ups over the past few years. Companies like AbleTo, Noom, Quartet and Talkspace led the way. Today, there are several innovative companies that address depression, addiction, anxiety and other issues. We sat down with Trip Hofer, CEO of AbleTo, to understand his perspective on NYC’s appeal for this sector.

1 Why has NYC become a hub for behavioral health?

New York City offers so many of the foundational elements needed to drive innovation: high-quality entrepreneurs, great academic and financial partners, and a large number of mental health experts. The city is also committed to reducing stigma and improving access to mental health care by fostering initiatives like Thrive NYC. All of these things create a uniquely appealing environment for innovative mental health care companies to call home.

2 What excites you about the behavioral health sector?

I’ve spent most of my career in health care, and I’ve never seen anything like what is happening in the mental health space today. There is a real sense of urgency to solve for the epidemic of unmet needs, and everyone shares the same commitment to finding workable solutions. It’s fostering true collaboration across so many stakeholders in a way that is really unique and inspiring.

3 What trends are we likely to see in 2020?

I think we can expect a shift in the conversation from access to quality. Already we are seeing recognition that access doesn’t guarantee meaningful results, and there will be more pressure to deliver measurable outcomes. We will also see payers begin to tire of point solutions as more companies enter the virtual behavioral health market, driving consolidation and development of more comprehensive solutions.

2020 Trends

I THINK WE’RE GOING TO SEE A BEAR MARKET soon, which could put some start-ups out of business. But we reserve dollars for the down cycles, and the companies we invest in have great value propositions in both bull and bear markets.

FOR PRIVATE EQUITY FOCUSED ON HEALTH TECH, paying close attention to proposed updates to HIPAA, and conducting proactive — and continuous — due diligence around cybersecurity and data privacy will be paramount.

RAJU RISHI
General Partner, RRE Ventures

PATRICK PILCH
Senior Managing Director & National Healthcare Practice Leader, BDO

TRIP HOFER
CEO, AbleTo

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TRIP HOFER
CEO, AbleTo
WHAT ARE YOUR Predictions Over the Next 5 Years?

From companies that deliver telemedicine, gene therapy or address the social determinants of health, NYC sits at the center when it comes to evolving care models and envisioning unprecedented treatments and therapies. Across all sectors, NYC will grow as a center for healthcare innovation. Here’s what investors and entrepreneurs expect in the next five years.

**NEW CARE DELIVERY MODELS DRIVING** outcomes for medically and/or socially complex patients. In addition, consumerization of healthcare driving an improved patient experience.

**THE FOCUS WILL SHIFT** from zero-sum negotiations over payments to focus on how to create more overall value for the consumer and the entire health system by leveraging data and technology to deliver better healthcare experiences and outcomes.

**CONTINUING TO ADDRESS SOCIAL DETERMINANTS** is a long-term journey to integrate all components and drive social change — but as a key part of healthcare delivery, it is essential to improving health and well-being.

**TELEMEDICINE** – I love seeing the power of remote technology impacting global health.

**WE’RE ESPECIALLY EXCITED** about genetic medicines. We expect dramatic advancements and new therapies to emerge, both with existing and new therapeutic modalities.

**AS VALUE-BASED CARE CONTINUES TO GROW** in importance, a whole new generation of companies will be built. The platform solutions and services that innovate in that market will continue to be exciting.

**MEDICARE ADVANTAGE WILL CONTINUE GROW** and get to over 50% penetration and will lead the way on even newer value-based models.
METHODOLOGY
Data used in the creation of this report was obtained from Pitchbook and covered the period from 01/01/2019 to 12/31/2019. 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 01/01/2019 to 12/31/2019. Deal date was used to determine placement in 2019. Companies that won grant funding, prize money or acceptance into accelerators/incubators were not included in the analysis. Pitchbook places companies into various healthcare categories and subsectors, which we reviewed and used or augmented in our analysis based on our knowledge of the industry.

DISCLAIMER
This report is provided for informational purposes only. Where possible, we verified information obtained from Pitchbook through publicly-available sources (e.g. company press releases, news reports) and made judgment calls based on that. 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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