START-UP NATION CENTRAL:
FINDER INSIGHTS SERIES

ISRAEL'S DIGITAL HEALTH INDUSTRY, 2017-2018 H1

START-UP NATION CENTRAL

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EXECUTIVE SUMMARY

The global Digital Health sector continues to evolve and mature, obtaining record funding levels during 2017 and 2018 H1. Over the last couple of years, the sector has entered a new phase, shifting away from data collection through sensors and wearables, to generating data-driven insights that are shared across key players in healthcare. These include also non-traditional stakeholders, such as retail companies and technology giants, which have begun to take an increased interest in Digital Health. This new phase is powered by data analytics solutions that have the capability to extract clinical insight from vast quantities of data, in particular by utilizing artificial intelligence (AI). For the sector to reach its potential impact in this area, it must address complex barriers such as data security and data sharing; both of which are beginning to be addressed through the cybersecurity and blockchain technologies that are entering the Digital Health space on a larger scale.

Over the past few years, the Israeli Digital Health sector has begun to mature from a technology hub into a rich ecosystem. The sector currently builds upon a combination of artificial intelligence solutions, HMO data spanning over two decades, and an array of government and healthcare provider initiatives announced during the last year. These factors, together with the global entry of cybersecurity and blockchain into healthcare, fields in which Israel has very strong presence and capabilities, position Israel as an even more important player in the global Digital Health sector.

The Israeli Digital Health sector continues to attract investments, with a total of $333M in 2017, and a further $270M in 2018 H1 – a 60% increase over 2017H1. The sector is clearly maturing, with higher average investments every year, and an increasing share of late-stage deals.

While the Israeli sector continues to draw the attention of foreign investors, there was an upsurge in the activity of Israeli investors, who participated in more than 75% of deals in 2018. Furthermore, since 2017, 68% of investors who made more than one investment were Israeli. This indicates that local investors are beginning to display an increased vote of confidence in the Israeli Digital Health ecosystem.

The Israeli Digital Health landscape mirrors world trends in the sector: Decision Support, one of the building blocks of the latest Digital Health phase, went from being the second highest funded subsector in 2017 to being the highest in 2018 H1. In addition, Artificial Intelligence, one of the main technologies driving this phase, has become widespread in Israeli Digital Health, utilized by 30% of companies across different subsectors, and accounting for 50% of funding in 2017 and 77% in 2018 H1.

A notable subsector is Assistive Devices, which brings computer vision and machine learning to the disabilities market. Although it is relatively small it performed extremely well, demonstrating the enormous potential of the Digital Health domain when it is less restricted by regulatory and clinical barriers.

Start-Up Nation Central is proud to present its Digital Health report, which offers a comprehensive and up-to-date analysis of the state of the Israeli Digital Health ecosystem and its trends. Included are our reviews of the latest major global developments, and an analysis of the performance and activity of Digital Health companies in Israel, including subsector analyses. Start-Up Nation Central compiled this report by utilizing data that we collected on the Israeli Digital Health industry, much of which is displayed in Start-Up Nation Finder.

GLOBAL SCOPE

Digital Health continued to develop and mature over the past year. Globally, the sector reached record funding in 2017, raising $11.5B in funding across 794 deals, with a notable increase in both large and late-stage deals[1]. The first quarter of 2018 was the largest quarter for Digital Health yet, with $2.8B raised worldwide[2]. This increase in funding can be partially explained by recent developments in the sector and the impact it is expected to have on healthcare.

Digital Health has been promising to reform healthcare for nearly a decade, hoping to solve such challenges as rising costs, chronic diseases, shortage of medical workforce and prevention of medical errors. Initially, Digital Health offered Clinical Workflow solutions that digitalized medical data, primarily through the development of EMR platforms. The second phase of Digital Health focused on collecting information, through sensors and wearables, and attempting to move patient-doctor interactions to the digital space, by developing telemedicine platforms. While these two phases both focused on making existing processes more efficient, a third far more complex and ambitious phase of Digital Health is now emerging, stepping out of existing systems into a new healthcare model. At the heart of the new healthcare model is a network of information where the data is collected and analyzed using advanced algorithms to extract a new layer of clinical insights. Together with data, these insights are delivered to the right place at the right time to any healthcare system stakeholder who needs them, including patients, doctors, hospitals, pharmaceutical companies, pharmacies, research labs, insurance companies and others. Current as well as retrospective data that spans decades, is analyzed to predict the best course of action for an individual at the point of care.

This paradigm shift complements the rising global trend of consumerization of healthcare. The patient is becoming an active consumer who stands at the center of the healthcare network, and whose medical data is treated as a commodity. The shift from patient to consumer is driving healthcare towards a retail mindset, embracing an increased transparency, and a shift towards a value-based care model, linking revenues to clinical outcomes. The US market is heading in this direction, as demonstrated by the recent merger between retail giant CVS and insurance company Aetna. By joining forces, these companies have a far broader range of opportunity; for example, the ability to encourage consumers to use their walk-in-clinics rather than going to healthcare providers, which reduces costs for the insurance company.

Another notable recent deal is Amazon's acquisition of PillPack, an online pharmacy licensed to ship drugs in all 50 of the US states, which could help the e-commerce giant to reshape the prescription drug industry. These trends are also reflected in global Digital Health funding, with Consumer Experience and Consumer Health Information leading Digital Health funding in 2017[3].

This network of healthcare stakeholders encompasses a growing number of players, encouraging non-conventional participants in the healthcare market. Tech companies are very adept at extracting insights from big data, and have a deep understanding of consumer business models. Since software plays a central role in Digital Health, these companies have a significant advantage. With mobile phones functioning as advanced diagnostic devices, tech giants have a vast Digital Health infrastructure at their fingertips. For example, Apple has turned the iPhone into a health monitoring device, using it for clinical trials that are faster and more efficient than ever. It appears highly likely that giant tech companies could become some of the most prominent acquirers of Digital Health solutions.

The third Digital Health phase is about breaking down information barriers, which brings with it many challenges. Regulatory bodies are struggling to deal with the clinical implications of regulating data analytics software, especially software that utilizes artificial intelligence. The sharing of information is also a huge challenge for data privacy and data security, calling for solutions from the fields of cybersecurity and blockchain. FHIR (Fast Healthcare Interoperability Resources) is one of the practices already adopted by such tech companies as Google and Apple to deal with the practical aspects of exchanging reliable medical data in real time.

Without solving these challenges, the third phase of Digital Health will struggle to reach its full potential. Currently, the greatest challenge it faces is the transition from the collection of vast amounts of data, to analyzing, utilizing and sharing this data in a meaningful way. For example, medical errors are the third leading cause of mortality in the US. Such errors occur not due to lack of data, but rather as a result of too much data, which is still siloed, and not being efficiently or accurately processed. Healthcare providers suffer from data overload, with the amount of stored patient data growing more than 700% since 2010[4]. For the promise of Digital Health to be fulfilled, the aforementioned challenges need to be resolved. Countries that address these issues early on will gain an advantage in becoming a prominent Digital Health hub.

1 Global Digital Health Funding Report 2017 Year End Report, Startup Health (2017).

2 StartUp Health Insights Q1 2018 Report, Startup Health (2018).

3 2017 Year End Funding Report: The end of the beginning of Digital Health, Rock Health (2017); Global Digital Health Funding Report 2017 Year End Report, Startup Health (2017).

4 From Start-Up to Break-Through: Digital Health Adoption in US Healthcare, Start-Up Nation Central (2018)

THE ISRAELI DIGITAL HEALTH INDUSTRY

Over the past few years Israel has evolved from being a technology vendor with a cluster of innovative start-ups, to a rich ecosystem that possesses many of the critical components required to drive the latest Digital Health phase. One in every three Digital Health companies in Israel has an AI component. Moreover, Israel has one of the most advanced and extensive medical databases in the world, which can be used in training these AI algorithms. The coupling of AI technology with 20 years' worth of accumulated HMO data, collected from a heterogenous population, could have incredible clinical impact. This process has already begun to unfold, with Israeli companies collaborating with local healthcare providers. The companies offer providers analytical tools that improve clinical outcomes, while enjoying data, clinical knowledge and mentorship from the latter. Furthermore, cybersecurity and blockchain, fields in which Israel is extremely prominent, began to enter the Israeli Digital Health ecosystem in 2017. Many Israeli Digital Health companies benefit from Israeli expertise drawn from other sectors and technologies.

Recent Israeli initiatives have begun to transform Israel into a vibrant Digital Health hub. The Israeli government has approved a $300M national plan to turn Digital Health into Israel's next economic growth engine. As part of this initiative, the government will create a standard medical information infrastructure, and will also establish "Psefas", a national research database in the field of genetics and medical information. The government has also begun pilot programs between Israeli start-ups and international entities, as well as planning to establish Digital Health innovation labs, and accompany foreign companies interested in investing in Israeli technologies.

At the same time, healthcare providers have begun to establish innovation centers, and share medical data collected over nearly three decades.

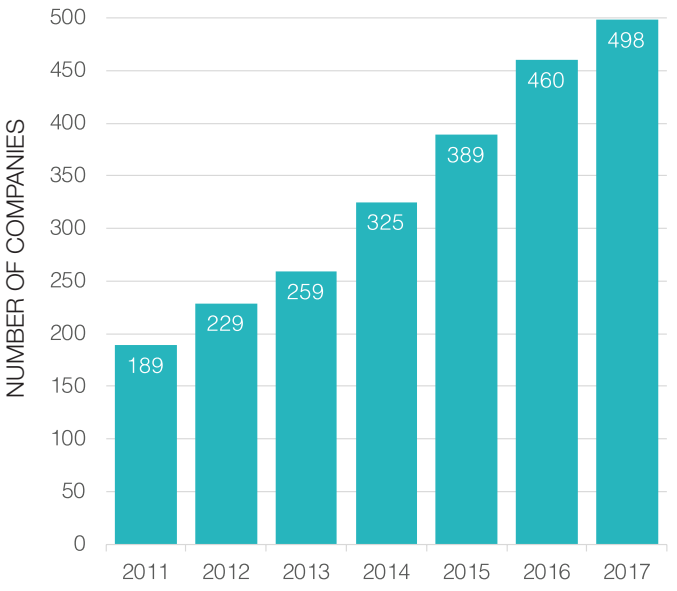
Sheba Medical Center, the largest hospital campus in Israel, has launched an innovation center dedicated to developing solutions that could have a profound impact on global healthcare. Sheba's abundant digitized data will be the central driver of innovation, and the hospital's infrastructure will allow rapid implementation of innovation in a real-world environment. Another initiative is BIOHOUSE Hadassah, located at the Hadassah hospital, which offers a physical and professional space for medical innovation. For these initiatives, both Hadassah and Sheba have established strategic partnerships with such multinationals as Amazon Webservice, Deutsche Telekom and Google. In 2016, Maccabi, the second largest Israeli HMO, established an innovation institute supported by a grant from Morris Kahn, dedicated to improving health outcomes through big data analytics, predictive algorithms and machine learning. This institute has developed a big data platform that enables researchers and innovative companies around the world to access Maccabi's database. Clalit, Israel's largest HMO, already established a research institute several years ago, and has similar initiatives in the pipeline. Additional healthcare provider initiatives are underway and are slated to be disclosed later in 2018.

The Israeli ecosystem has attracted much attention from both Europe and the US over the past year: IBM Alpha Zone Accelerator partnered with the UK NHS, using the accelerator model to steer Israeli technology in directions that could be useful to the NHS; the US-based Henry Ford Healthcare System retained a full time scouter for Digital Health technologies in Israel; Leo Pharma, a Danish pharmaceutical company, launched a machine-learning innovation lab with a focus on dermatology; and Philadelphia-based Jefferson University launched an innovation center in Israel with a focus on Digital Health.

FINANCING SINCE 2017

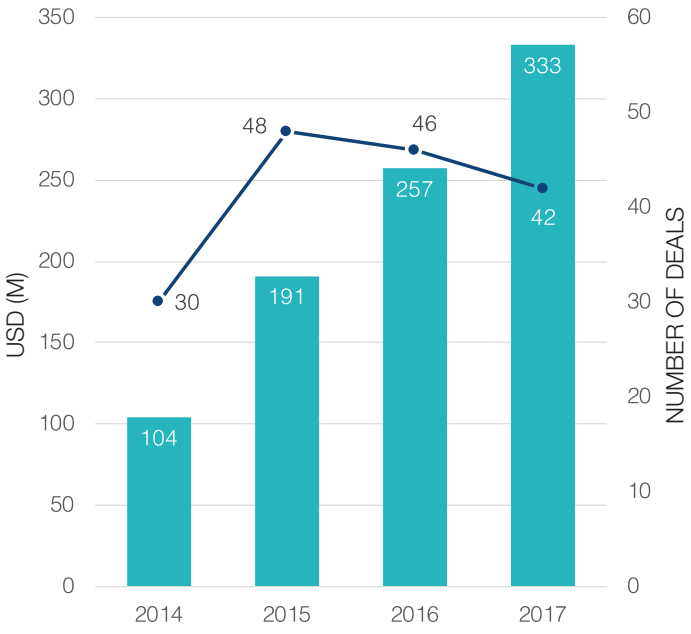
The Digital Health sector in Israel continues to expand, ending 2017 with 498 active companies.

Figure 1: **Active Digital Health Companies**



Israeli Digital Health companies raised a total of $333M in venture capital and private equity in 2017, exceeding 2016 investments by 30%. This record-breaking amount was invested across 42 deals.

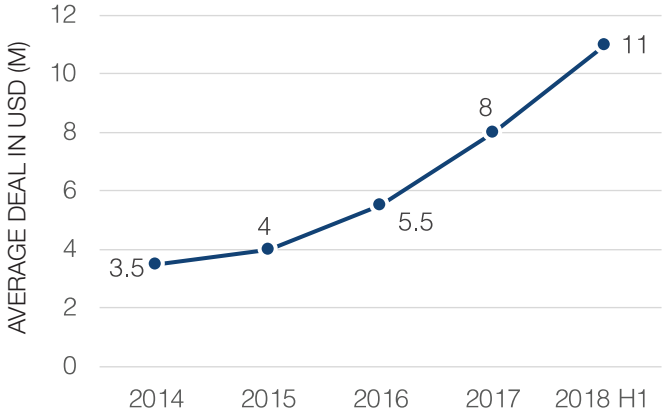
Figure 2: **Israeli Digital Health Investments**



This positive trend has continued in 2018. Companies raised $270M in 2018 H1 in 24 rounds, nearly 60% higher than 2017 H1, which came to $170M in 23 rounds.

The average funding round has risen substantially over the years, reaching $11M in 2018 H1.

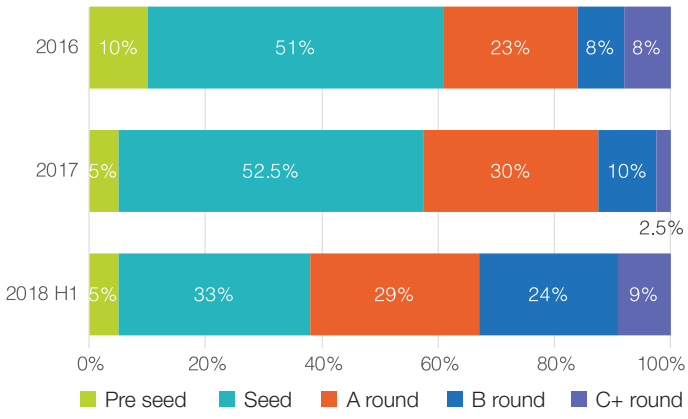
Figure 3: **Average Funding Round**



Three large deals accounted for 40% of the amount raised in 2017: Cnoga Medical ($50M), Vayyar ($45M) and Orcam Technologies ($41M) - the largest investments made in Digital Health to date.

We are seeing an increase in late stage deals. This shift towards later stage investments is enabling more and more Digital Health companies to move to the growth stage. This trend is occurring in Digital Health worldwide. The share of round A and round B deals has increased substantially, reaching 29% and 24% respectively in 2018 H1, roughly mirroring the percentages seen globally, and pointing to the fact that the sector is maturing.

Figure 4: **Deal Activity by Stage**



There were no Digital Health exits in 2017-2018 H1, corresponding to a global decrease in exits in the sector. One of the reasons for this scarcity of exits is that due to the multiple stakeholders and participants across the healthcare chain, integration of Digital Health solutions is not straightforward. However, as mentioned previously, funding is constantly increasing, and we recently celebrated the first Israeli unicorn in this field in 2018.

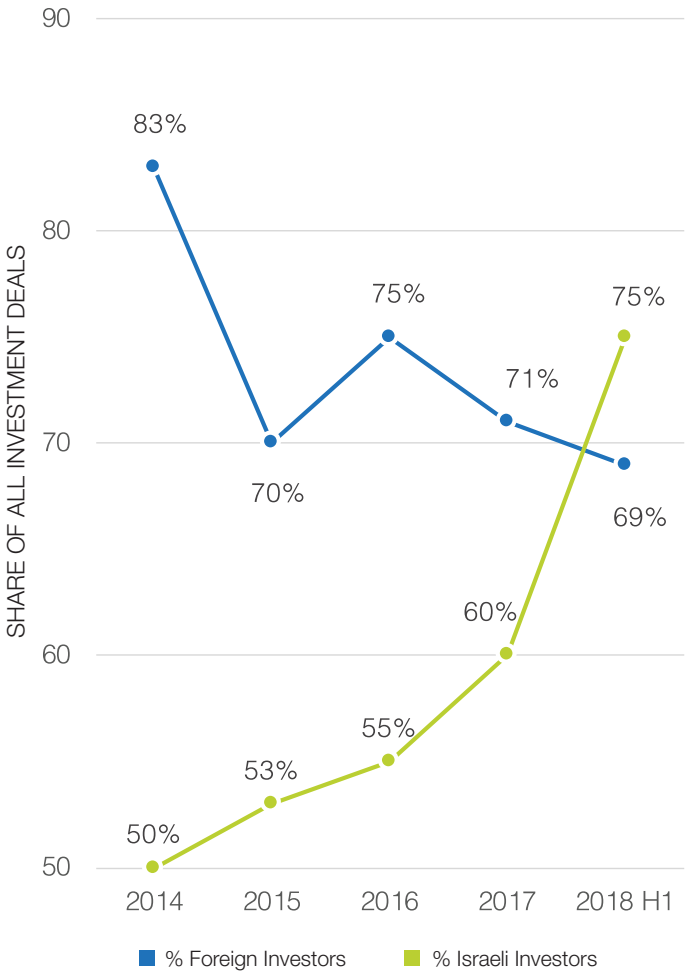
5 Global Digital Health Funding Report 2017 Year End Report, Startup Health (2017).

INVESTORS

While the share of deals with participation of foreign investors has remained relatively stable around 70% since 2015, the share of deals with Israeli investors has increased from 50% in 2014 to 75% in 2018 H1. Moreover, 68% of investors who made more than one investment between 2017 - 2018 H1 were Israeli. Part of this increased financing activity is due to Israeli Digital Health VCs, which are beginning to play a more significant role within the ecosystem. Prior to 2017, only a few Israeli VCs focused on Digital Health; but in 2017 this changed, with many Israeli VCs beginning to invest in the sector. These VCs are partially responsible for the increasingly large funding rounds seen over the past year and a half, with OurCrowd Qure, and aMoon investing the most capital during this period. Notably, aMoon raised $500M for its second fund to invest in mid-to-late stage life sciences and Digital Health companies.

In addition to newly established Israeli VCs dedicated to Digital Health, Israeli cross-sector VCs are also shifting their attention towards the Digital Health sector. Recent examples of these include Glilot Capital Partners and Merchavia Holdings. The sector has also continued to attract the attention of global investors. Foreign VCs, such as US-based Bessemer Venture Partners, have launched dedicated funds to invest in the Israeli Digital Health sector. Other new and notable foreign investors include Chinese Glory Ventures and Japanese-Israeli Corundum Open Innovation.

Figure 5: **Investor Types**



TRENDS AND SUBSECTORS

We partition the Digital Health sector into seven specific segments, identifying trends regarding how the Israeli Digital Health sector addresses global challenges.[6] We classify Digital Health companies as follows:

To download the full landscape please click here

Clinical Workflow

Solutions that improve the current healthcare workflow by using Electronic Medical Records (EMR), healthcare-related payment platforms, on-the-job training software, RF-tracking of medical equipment, and so on.

Decision Support

Data analysis software that enables more accurate, personalized, and data driven decisions, which improve diagnostics and treatment outcomes. These solutions are mostly designed for physicians.

Digital Therapeutics

Digital tools and platforms that allow consumers to proactively track, treat and manage their own medical conditions. Biological, environmental, and behavioral data of the consumer is collected and analyzed, then translated into actionable insights, and recommendations for health improvement.

Remote Monitoring

Technological tools that continually monitor and collect patient data from remote, which helps prevent medical events, as well as alerting to their occurrence.

Assistive Devices

Devices which aid and assist consumers with physical disabilities, such as vision, hearing, age-related conditions and so on.

Diagnostics

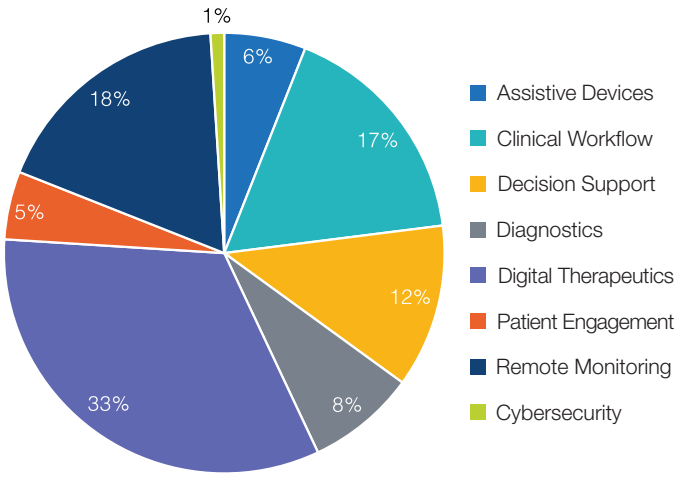
Data analytics tools that provide automatic, fast, and affordable medical diagnostics, which are especially valuable for early disease detection. Many of these tools draw on Big Data, AI, and computer vision to provide accurate diagnoses.

Patient Engagement

Technologies that increase patient cooperation and compliance with healthcare guidelines and medication regimens.

6 This classification differs from our 2016 Digital Health report, in which there was no distinction between technologies and use cases. The new subsectors reflect solution types, in order to offer a more consistent view of the Digital Health sector

Figure 6: **Active Companies by Subsector 2018***



* Here Cybersecurity is included as a subsector, despite not yet being large enough to be included in our official Digital Health segmentation

SUBSECTOR TREND ANALYSIS

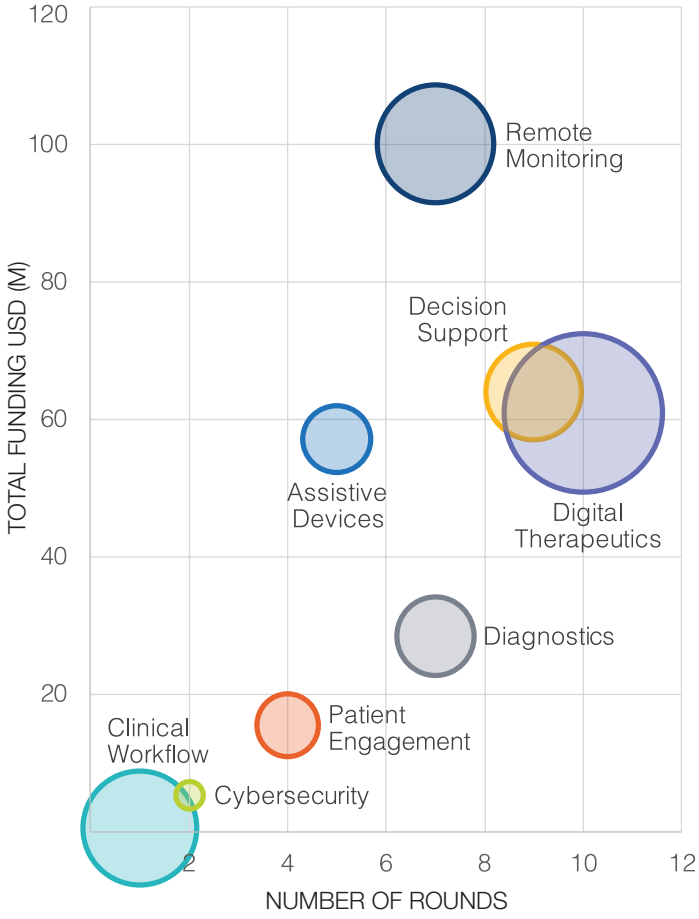
As we stated earlier, the Digital Health sector worldwide is undergoing a shift from data collection to data-driven insights, which are shared across stakeholders. The same shift is taking place in the Israeli ecosystem, particularly evidenced in the success of the Decision Support subsector. This trend increasingly generates data sharing and data privacy concerns, which is why we observe a growing integration of cybersecurity and blockchain technologies into Israeli Digital Health.

The evolution of Digital Health is reflected in the Israeli landscape. The most mature Israeli subsector is Clinical Workflow, which was part of the first Digital Health phase. However, despite representing 17% of the sector, it hardly attracted any funding in either 2017 or 2018 H1. This is also reflected globally (Rock Health, Startup Health).

The second phase of Digital Health reached its prime in 2017. This is reflected in the Remote Monitoring subsector, which attracted the most funding last year ($100M), but came second in 2018 H1 with $66M. Many companies in this subsector use sensors and wearables to collect medical information remotely. Data collection platforms are still prevalent, being relatively straightforward to adopt, and less regulated than products that perform more advanced data analytics. This connects to a general trend of collecting increasing amounts of information, through both B2C wearable and IoT products, and remote monitoring platforms.

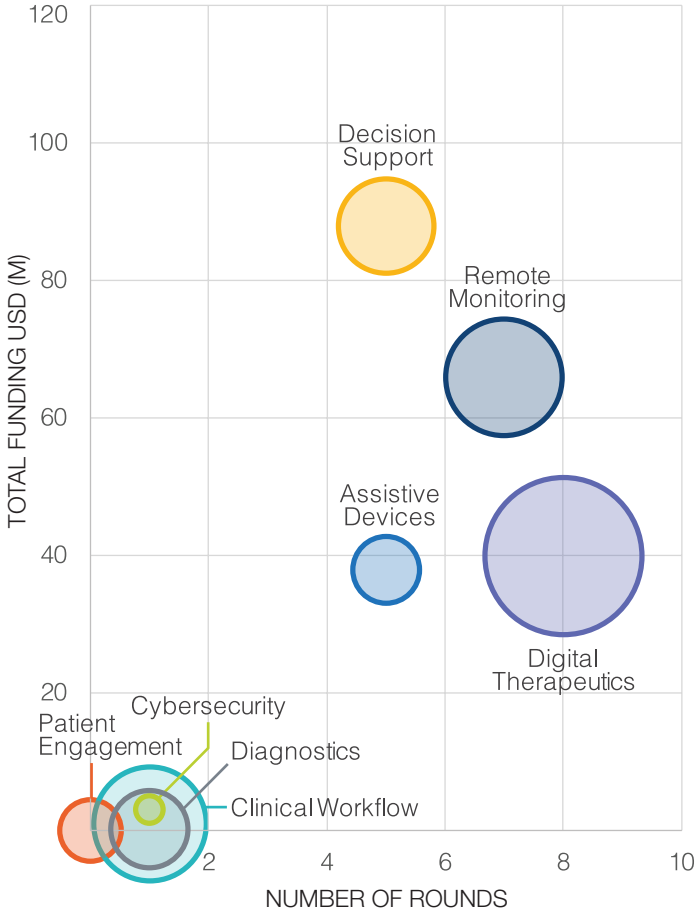
The third phase of Digital Health manifests itself by the rise of Decision Support, which raised $64M in 2017, and has already raised $88M in 2018 H1 – more than any other subsector. Remote Monitoring, Decision Support, and Diagnostics respectively make up 18%, 12% and 8% of the Digital Health sector. As opposed to Remote Monitoring and Decision Support which attracted significant funding, Diagnostics was one of the least funded subsectors over the past 18 months. It seems that regulatory pressure is a part of the reason for this.

Figure 7: **Subsector Performance in 2017**



* The size of the circles represents the size of the subsector

Figure 8: **Subsector Performance in 2018 H1**



Since intended use of a product determines if it is FDA-regulated and to what degree, many companies with impressive diagnostic capabilities are opting to market their product as a decision support or remote monitoring tools. In this way, a company that has the capability to diagnose skin cancer using a smartphone, might end up using its computer vision and AI analytics to recommend users which soap to use on their skin. In other words, we see that regulation issues are weakening Digital Health's potential clinical impact.

The Digital Therapeutics subsector, which focuses on consumer applications, lagged behind in terms of amounts raised. There are various reasons for this. Companies in this subsector often attempt to bypass the healthcare provider, making the product relatively easy to develop. However, this business model is often flawed, as it fails to allow for such critical issues as regulation, privacy, clinical validity, how to incentivize customers to use the app, and distribution channels. Consequently, there are many companies in this field that come into existence, some with extremely impressive analytical tools, which then end up having trouble making a business case and raising funds.

In 2017 we started seeing companies raising capital for technologies at the intersection between cybersecurity and Digital Health. Medigate and Cynerio, two cybersecurity companies that protect medical device data raised $3M and $5.3M dollars in 2017 and 2018 respectively. Duality Technologies, another promising company, is enabling data analytics tools such as machine learning to be applied to encrypted data, which will aid healthcare providers and data analytics vendors in bypassing regulation and GDPR challenges.

Digital Health aside, Israel has established itself as a thriving Cybersecurity hub, boasting over 420 cybersecurity companies that have raised more than $800M in 2017 alone[7]. Since the demand for Cybersecurity solutions is increasing in healthcare worldwide, a continued flow of Israeli Cybersecurity technologies into the Digital Health sector could position Israel as a key player in Digital Health globally.

2017 was also the first year that blockchain was applied to Digital Health innovation. Blockchain is developing rapidly in Israel, with more than 80 blockchain companies that have raised $190M to date. When applied to healthcare, blockchain technology could potentially tackle pressing challenges triggered by the latest Digital Health phase, such as data privacy, security, and interoperability.

Although Assistive Devices comprises a mere 6% of the sector, it accounted for 17% of funding in 2017, and 16% in 2018 H1. Companies developing Assistive Devices solutions utilize computer vision and machine learning technologies to create cutting edge B2C products for the disabled. Since these products do not aim to solve a clinical problem, but rather focus on improving the quality of life, they bypass much of the regulation that hinders other Digital Health companies. With the right strategy, these companies can scale much faster, since in many cases people need very similar solutions all around the world. A good example is Orcam Technologies, which developed an AI device for the visually impaired and became the first unicorn in the Israeli Digital Health sector, raising over $80M to date.

7 For more information on Cybersecurity in Israel see our 2017 Cybersecurity report

AI IN ISRAELI DIGITAL HEALTH

AI has begun to dominate several Digital Health subsectors in Israel, with nearly 130 companies incorporating artificial intelligence in their solutions. AI has attracted significant funding over the past year and half, with $165M in 2017 (50% of total investments) and $207M in 2018 H1 (77% of total investments), accounting for nearly 50% of the number of funding rounds. These technologies are not only attracting funding, but are also being developed quickly, with 45% of AI-using companies boasting fully developed products.

Rapid development, rapid penetration in healthcare, and lack of full transparency on what AI can do creates significant challenges to health and data regulators. In 2017, the FDA opened a unit dedicated to Digital Health; and as the sector enters the age of AI-based innovation, this may mean that it will be harder for AI products to be approved and adopted. VIZ is a notable example of an Israeli AI Decision Support company that succeeded in receiving FDA approval for its product.

OPPORTUNITIES

Israel has evolved from being a developer of niche technologies into a thriving sector, containing all the vital ingredients to be an important player in the third phase of Digital Health. The multidisciplinary expertise in AI, cybersecurity and blockchain that Israel is known for, combined with its vast national medical database of medical records spanning more than 7 million people over 20 years, and innovative academic and clinical research capabilities, provides a good competitive advantage in Digital Health innovation. Although Israeli entrepreneurs have a track record of developing core technologies, business strategy still poses a major challenge for many companies. Many start-ups develop strong analytics without having a clear go-to-market strategy in mind, and without understanding the incentives and strategic objects of their potential clients. This gap leaves room for global players to create holistic solutions from the ample and diverse mixture of technologies Israel offers, and expose them to the global market.

START-UP NATION CENTRAL AND THE DIGITAL HEALTH SECTOR

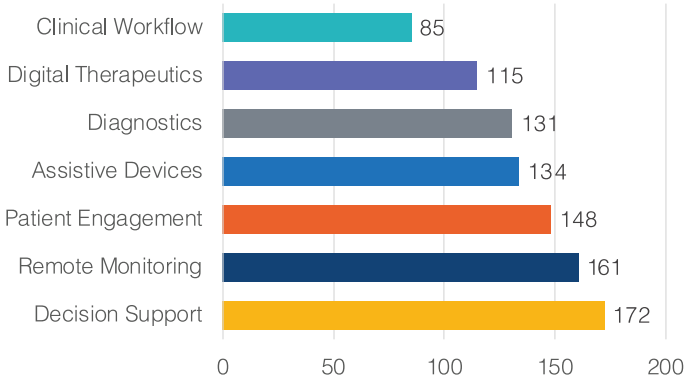
Start-Up Nation Central is committed to helping global corporations engage with Israeli innovation, which will generate significant value for them, while creating business opportunities for the Israeli innovation sector, and for Digital Health in particular. Over the past few years, we have hosted senior executives from dozens of giant multinational corporations, senior government and NGO officials, and investors, and introduced them to the most relevant people and technologies. These highly customized and expertly-curated visits are carefully prepared to identify and address the corporations' most pressing challenges and needs. In the process, Start-Up Nation Central has connected more than a hundred Israeli Digital Health companies with potential customers and strategic investors. Some of these connections have already evolved into POCs, investments, and strategic collaborations, while in many other cases the dialogue continues. In January 2018, Start-up Nation Central, together with PWC, published a comprehensive tool kit to help startups approach and navigate the US healthcare system.[8]

Analyzing the fields of interests expressed by our clients, we are detecting increased interest in solutions for diagnostics, decision support tools and artificial intelligence solutions. Clients were particularly interested in solutions that are geared towards proactive and personalized medicine. We perceive an increased interest of healthcare providers in out-patient care, looking for platforms that deliver care remotely and continuously. At the same time, organizations are looking for more and more tools to improve patient experience. We noticed an increased interest from pharmaceutical companies in real-world evidence, specifically the end users' experience. In addition, we noticed that healthcare providers are looking to solve the challenges of siloed data, i.e. solving the problem of data interoperability. Clients showed less interest in EMR solutions and assistive devices.

Another way in which we create opportunities is through Start-Up Nation Finder, our online platform mapping Israeli innovation, where anyone can locate information on all Digital Health companies and investors in Israel and contact them directly. Since 2017, the term **Digital Healthcare** was the second most popular search in the platform, second only to **Cybersecurity**, followed by Fintech and Agritech. **Data analytics**, **artificial intelligence**, **pharmaceuticals**, **IoT** and **sensors** were some of the most popular searches when combined with "Digital Healthcare".

Profiles in the following subsectors had the highest average number of visits per page: Decision Support, Remote Monitoring and Patient Engagement.

Figure 9: **Average Views per Profile**



8 From Start-Up to Break-Through: Digital Health Adoption in US Healthcare, Start-Up Nation Central (2018)

ABOUT START-UP NATION CENTRAL

Start-Up Nation Central is an Israel-based non-profit that serves as a gateway to Israeli innovation. The organization leverages its in-depth knowledge of Israel's innovation sector to connect business leaders, governments, and NGOs from across the globe with Israeli innovation, by designing highly customized visits that introduce them to the Israeli people and technologies that can address their most pressing challenges.

Start-Up Nation Finder is Israel's definitive Innovation Discovery Platform, which Start-Up Nation Central created by deeply mapping Israel's innovation ecosystem. The Finder includes more than 5800 innovative companies, R&D centers, investors and academics, and is kept continually up-to-date by Start-Up Nation Central's research team. Finder has become a globally used platform, providing corporate, government and NGO players the opportunity to access detailed and up-to-date financial performance of start-ups, and well-organized and informed data concerning investments and deals.

The success of the Israeli innovation ecosystem in the market is the motivation behind Start-Up Nation Central's activities, with close focus on the developing Agritech, Cybersecurity, Digital Healthcare, Fintech and Industry 4.0 sectors, helping them build practical tools and expand their skillsets. A further focus of the organization is to develop existing tech communities within the ecosystem, thus increasing collaboration and knowledge-sharing.

Start-Up Nation Central's mission is to ensure that the tech ecosystem remains strong, and the organization has become a go-to body on policies relating to Israeli innovation. By convening thought leaders to help shape policies which support the Israeli innovation engine, Start-Up Nation Central cultivates the growth of companies and cutting-edge technologies, as well as initiating activities to address the shortage in human capital. Through knowledge and connectivity, Start-Up Nation Central acts as the premier gateway to Israeli innovation.

To read Start-Up Nation Central's Digital Health Report 2016, see:
https://lp.startupnationcentral.org/digitalhealthreport

METHODOLOGY

Data set

Amounts and definitions relating to Israeli innovation and entities accord with those of Start-Up Nation Finder. Companies considered for this report were founded by Israelis and pursue R&D activities in Israel, and are not service providers. This report organizes Israel's Digital Health sector into subsectors. Since our 2016 report, we have reorganized the Digital Health landscape into seven subsectors. Subsector division organizes the relevant companies into an inherently simplistic regimentation. Some companies offer multifaceted technologies and therefore could be assigned to multiple subsectors. But for sake of deriving investment and tech trends, we associate each company with only one subsector, that which reflects the company's major focus. Figures representing numbers of companies and investments in Israeli Digital Health and its subsectors are likewise exclusive, e.g. we do not associate one company with multiple subsectors.

Financing

Refers to any equity transaction (e.g. VC, corporate, or angel investments; private equity in growth stage), but excludes full or major liquidity events (those are considered as Exits). In the cases where companies receive investments from incubators conjointly with grants from the Israel Innovation Authority, the latter are included in the funding amounts and are not specified. Fundraising amounts entail only the value invested in a given time period; even if a deal includes terms for future obligations, we do not include the pending conditions in the amounts listed in this report. Some investment figures may include funding that does not appear to the public on Start-Up Nation Finder. These amounts reflect data that Israeli companies disclosed to Start-Up Nation Central in confidence, which they prefer to remain inconspicuous while still factored into aggregates.

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For more information on the Israeli Digital Health sector and the companies cited in this report, please visit:
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