Executive summary

01 US Healthcare trends

- Funding for VC-backed Healthcare companies in the US raised $8.5B in 224 deals.
- Compared to Q3’20, the number of deals closed in Q4’20 decreased by 8% from 243 to 224.
- A total of $3.6B was raised this quarter through 21 mega-rounds*, making up 43% of total deal dollars raised in Q3’20.

* deals of $100M or more in value.

03 US Healthcare places

- The top five Healthcare regions in terms of dollars raised were San Diego, New England, Silicon Valley, Midwest, and New York Metro.
- In Q4’20, San Diego raised $1.9B through 19 deals and is the leading region this quarter in terms of dollars raised. There were seven mega-rounds in San Diego.
- New England followed in second place, raising $1.6B across 47 deals.

04 US Healthcare movers and shakers

- OrbiMed Advisors was the most active investor this quarter, investing in a total of 12 Healthcare deals.
- There were 26 Healthcare IPOs in Q4’20 raising approximately $4.1B.

02 US Healthcare industries

- Of the $8.5B raised in Q4’20, $4.4B was invested in the Biotechnology subsector while $1.0B was invested in the Medical Devices & Equipment industry.
- Compared to the prior quarter, the Biotechnology subsector saw a 12% increase in funding.
- The Medical Devices & Equipment industry outperformed Drug Development in deal value, raising a total of $1.0B in 53 deals.

05 Global Healthcare trends

- Globally, dollars invested increased to $14.7B in Q4’20, while the number of deals decreased from 606 in Q3’20 to 582 in Q4’20.
- In Q4’20, 259 deals closed in North America, followed by 218 deals in Asia, and 105 deals in Europe.
- North America raised $8.5B this quarter, while Europe raised $1.5B and finally Asia raised $4.6B.

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
US Healthcare trends – Q4 2020
Eight-quarter Healthcare financing trends
Healthcare deal activity decreased while dollars raised increased in Q4’20

- Dollars invested in US Healthcare increased quarter to quarter from $8.1B in Q3’20 to $8.5B in Q4’20.
- Deal numbers have decreased by 8% from the prior quarter, with 224 deals closing in Q4’20. The average deal value increased from $33.3M in Q3’20 to $38.0M in Q4’20.
- Compared to the same quarter in FY’19, dollars invested increased 36%, and the number of deals also increased by 23% in Q4’20.
US Healthcare deal share by stage
Expansion stage companies concentrated majority of the deals

- **Expansion stage** deals continue to have the largest share by stage in Q4’20, making up 28% of total dollars raised.
- **Later stage** deals had the lowest share by stage in Q4’20, making up 11% of total dollars raised.

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
Median US deal size by stage
Median deal size increased across all stages in Q4’20

- Median deal size for **later stage** companies saw the most significant increase this quarter to $31.8M, from $25.0M in Q3’20.
- **Seed stage** companies median deal size saw an increase this quarter, going from $2.3M in Q3’20 to $2.6M in Q4’20.
- **Early stage** companies median deal size saw a 5% increase this quarter, going from $10.0M in Q3’20 to $10.5M in Q4’20.
- **Expansion stage** companies median deal size saw an increase this quarter, going from $27.0M in Q3’20 from $30.0M in Q4’20.

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
Healthcare sector trends
Biotechnology related industries raised $6.6 billion

- A total of $6.6B invested into Biotechnology related industries in Q4’20, which represents a 10% increase from Q3’20, while deals decreased quarter over quarter with 135 deals in Q4’20 and 155 deals in Q3’20.
- The Medical Devices & Equipment related industries increased quarter over quarter to $1.0B in funding, but saw a 16% decrease in number of deals compared to Q3’20.
- Other Healthcare related industries decreased quarter over quarter to $584M in funding while the number of deals increased by 33% from Q3’20.

Percentage change in dollars invested Q4’20/Q3’20

10% Biotechnology Related Industries

15% Medical Devices & Equipment Related Industries

49% Other Healthcare

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
Regional Healthcare trends
San Diego led in dollars invested in Q4’20, while New England led in number of deals

- **San Diego** surpassed New England and led in terms of dollars invested in Q4’20, with $1.9B raised this quarter through 19 deals. Of the 19 deals closed in San Diego, seven were mega-rounds, raising a total of $1.5B.
- **New England** followed behind and saw a 17% decrease in funding to $1.59B when compared to the prior quarter. Number of deals closed also decreased, with 47 deals closing in Q4’20 compared to 55 deals in Q3’20.
- **San Diego** held 23% of the US Healthcare market share for total deal dollars invested in Q4’20, while **New England** accounted for 19% of total deal dollars. Together, both regions accounted for 42% of the total deal dollars in the country, this quarter.

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
Regional Healthcare trends (continued)

Changes in other US regions:

- Silicon Valley ended in third place in terms of dollars raised, raising $1.56M through 40 deals in Q4’20, a 40% decrease in dollars raised from the prior quarter.
- Of the 40 deals closed in Silicon Valley, three were mega-rounds, raising a total of $351M.
- Silicon Valley held 18% of the US Healthcare market share for total deal dollars invested in Q4’20.

Percentage change in dollars invested in Q4’20/Q3’20

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
US Healthcare mega-rounds

Mega-round financing increased this quarter, in both dollars raised and number of deals

- US Healthcare mega-round financing raised $3.6B in Q4’20, which was a 14% increase from the mega-round funding in the prior quarter. Mega-round activity also increased, with 21 deals closing in Q4’20 compared to 17 deals closing in Q3’20.
- Dollars raised from mega-round deals made up 43% of the total dollars raised in Q4’20.
- The average size of a mega-round deal was $173M in Q3’20, which is 8% less than the $188M average mega-round deal size from the past quarter.

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
Top five US Healthcare industries over the last five quarters

**Trends:**

- The **Biotechnology subsector** continues to lead the Healthcare industry in Q4’20 in terms of dollars invested, raising $4.4B, a 12% increase from the $3.9B raised in Q3’20. Out of the 84 deals closed, 12 were mega-round deals which contributed $2.4B to the dollars invested in this quarter.

- The **Medical Devices & Equipment** industry outperformed the **Drug Development** industry this quarter in dollars invested and number of deals, with $1.0M dollars invested and 53 deals closed.

- The **Drug Development** industry raised $894M, an increase of 13% from Q3’20, in terms of dollars invested. There were four mega-round deals in this industry, contributing $470M of the dollars invested.

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
Q4’20 Deep dive
Biotechnology related industries

“The Biotechnology industry continues to lead in terms of financings and dollars invested. The technological breakthroughs in areas such as gene therapy and editing or data interpretation and machine learning, are fueling the growth.”

– Ousmane Caba, Life Science Partner at PwC

Largest Biotechnology and related industries deals in Q4’20:

<table>
<thead>
<tr>
<th>Deal</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESILIENCE</td>
<td>$750M</td>
</tr>
<tr>
<td>Tempus</td>
<td>$450M</td>
</tr>
<tr>
<td>Ambrx</td>
<td>$200M</td>
</tr>
<tr>
<td>Roivant Sciences</td>
<td>$200M</td>
</tr>
</tbody>
</table>

12% increase in funding for Biotechnology subsector compared to Q3’20

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
US Healthcare – Top five regions by deal value in Q4’20

- **San Diego**
  - 19 Deals
  - Avg. Deal Size: $102M
  - Deal Value: $1,935M

- **New England**
  - 47 Deals
  - Avg. Deal Size: $34M
  - Deal Value: $1,587M

- **Silicon Valley**
  - 40 Deals
  - Avg. Deal Size: $39M
  - Deal Value: $1,561M

- **Midwest**
  - 20 Deals
  - Avg. Deal Size: $40M
  - Deal Value: $806M

- **New York Metro**
  - 16 Deals
  - Avg. Deal Size: $47M
  - Deal Value: $756M

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
US Healthcare – All US regions in Q4’20

Northwest
$161M

North Central
$142M

Southeast
$192M

CO
$409M

Texas
$271M

Southwest
$33M

San Diego
$1,935M

LA/Orange County
$344M

New York Metro
$756M

DC/Metroplex
$177M

New England
$1,587M

Midwest
$806M

New York NY
$7M

Upstate
NY

Silicon Valley
$1,561M

Upstate NY
$7M

Sacramento/N. Cal
$13M

Philadelphia Metro
$73M

AK/HI/PR
N/A

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
Eight-quarter financing trend – San Diego

Dollars invested in San Diego increased this quarter to $1.9B

- In San Diego, Healthcare financing raised $1.9B in Q4’20, which was a 272% increase from the funding in the prior quarter. Mega-round activity increased with seven deals closing in Q4’20, raising a total of $1.5B.
- The average size of a mega-round deal was $241M in Q4’20, compared to the $137M deal size of the one mega-round in Q3’20.

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
Eight-quarter financing trend – New England

Number of deals and dollars raised decreased in Q4’20

- New England, in Q4’20, raised $1.6B in 47 deals, compared to $1.9B in 55 deals in Q3’20.
- Compared to the same quarter in FY’19, dollars invested increased 72% and the number of deals increased 38% in Q4’20.
- The region raised $239M through two mega-rounds. The dollars invested in mega-round deals made up 15% of the total dollars raised in the region this quarter.

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
## US – Top 10 states by deal value in Q4’20

<table>
<thead>
<tr>
<th>Rank</th>
<th>State</th>
<th>Deal Value</th>
<th>Number of Deals</th>
<th>Avg. Deal Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>CA</td>
<td>$3,892M</td>
<td>76</td>
<td>$51M</td>
</tr>
<tr>
<td>2.</td>
<td>MA</td>
<td>$1,536M</td>
<td>42</td>
<td>$37M</td>
</tr>
<tr>
<td>3.</td>
<td>NY</td>
<td>$682M</td>
<td>14</td>
<td>$49M</td>
</tr>
<tr>
<td>4.</td>
<td>IL</td>
<td>$475M</td>
<td>5</td>
<td>$95M</td>
</tr>
<tr>
<td>5.</td>
<td>CO</td>
<td>$409M</td>
<td>6</td>
<td>$68M</td>
</tr>
<tr>
<td>6.</td>
<td>TX</td>
<td>$271M</td>
<td>10</td>
<td>$27M</td>
</tr>
<tr>
<td>7.</td>
<td>WA</td>
<td>$161M</td>
<td>6</td>
<td>$27M</td>
</tr>
<tr>
<td>8.</td>
<td>MD</td>
<td>$141M</td>
<td>5</td>
<td>$28M</td>
</tr>
<tr>
<td>9.</td>
<td>PA</td>
<td>$124M</td>
<td>8</td>
<td>$16M</td>
</tr>
<tr>
<td>10.</td>
<td>CT</td>
<td>$122M</td>
<td>6</td>
<td>$20M</td>
</tr>
</tbody>
</table>

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
## Largest Healthcare deals in Q4’20

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Industry</th>
<th>Stage of funding</th>
<th>$ Value of deal</th>
<th>Select investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESILIENCE</td>
<td>La Jolla, CA</td>
<td>Biotechnology</td>
<td>$750M</td>
<td>New Enterprise Associates; Google Ventures; ARCH Venture Partners; 8VC</td>
<td></td>
</tr>
<tr>
<td>Tempus</td>
<td>Chicago, IL</td>
<td>Biotechnology</td>
<td>$450M</td>
<td>T. Rowe Price; Novo Holdings; Franklin Templeton; Eric Lefkofsky; Google; Baillie Gifford &amp; Co.</td>
<td></td>
</tr>
<tr>
<td>Ambrx</td>
<td>La Jolla, CA</td>
<td>Biotechnology</td>
<td>$200M</td>
<td>HBM Healthcare Investments; Invus Group; BlackRock; Adage Capital Management</td>
<td></td>
</tr>
<tr>
<td>Roivant Sciences</td>
<td>New York, NY</td>
<td>Biotechnology</td>
<td>$200M</td>
<td>SK Holdings</td>
<td></td>
</tr>
<tr>
<td>Cityblock Health</td>
<td>Brooklyn, NY</td>
<td>Medical Facilities &amp; Services</td>
<td>$160M</td>
<td>Redpoint Ventures; General Catalyst; Wellington Management; Thrive Capital; Kinnevik; Maverick Ventures</td>
<td></td>
</tr>
</tbody>
</table>

### Stage of funding
- **Seed Stage**
- **Early Stage**
- **Expansion Stage**
- **Later Stage**
- **Other**

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
# Most active venture capital firms in Healthcare in Q4’20

<table>
<thead>
<tr>
<th>Investor</th>
<th>Deals</th>
<th>Select investments</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>OrbiMed Advisors</td>
<td>12</td>
<td>Decibel Therapeutics; CranioVation; Cullinan Oncology; Olema Oncology; Caris Life Sciences; Cytek Biosciences</td>
<td>New York, NY</td>
</tr>
<tr>
<td>Casdin Capital</td>
<td>8</td>
<td>SomaLogic; Decibel Therapeutics; AbSci; Octave Bioscience; Neurogene; iVexSol; A2 Biotherapeutics</td>
<td>New York, NY</td>
</tr>
<tr>
<td>Cormorant Asset Management</td>
<td>8</td>
<td>Ambrx; Olema Oncology; Neurogene; Talaris Therapeutics; Edgewise Therapeutics</td>
<td>Boston, MA</td>
</tr>
<tr>
<td>RA Capital Management</td>
<td>8</td>
<td>Nimbus Therapeutics; Adagio Medical; Vivace Therapeutics; LocanaBio; Olema Oncology; Cytek Biosciences</td>
<td>Boston, MA</td>
</tr>
<tr>
<td>Lightstone Ventures</td>
<td>7</td>
<td>Relievant Medsystems; EndoGastric Solutions; SetPoint Medical; Shoulder Innovations; LocanaBio; Catamaran Bio; Tallac Therapeutics</td>
<td>Menlo Park, CA</td>
</tr>
</tbody>
</table>

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
## Healthcare IPOs in Q4’20

### Top 10 IPOs

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
<th>Location</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Everest Medicines</td>
<td>$451M</td>
<td>New York, NY</td>
<td>Drug Development</td>
</tr>
<tr>
<td>Atea Pharmaceuticals</td>
<td>$264M</td>
<td>Boston, MA</td>
<td>Biotechnology</td>
</tr>
<tr>
<td>Kronos Bio</td>
<td>$250M</td>
<td>San Mateo, CA</td>
<td>Biotechnology</td>
</tr>
<tr>
<td>Silverback Therapeutics</td>
<td>$242M</td>
<td>Seattle, WA</td>
<td>Biotechnology</td>
</tr>
<tr>
<td>Kinnate Biopharma</td>
<td>$240M</td>
<td>San Diego, CA</td>
<td>Biotechnology</td>
</tr>
<tr>
<td>Olema Oncology</td>
<td>$209M</td>
<td>San Francisco, CA</td>
<td>Drug Development</td>
</tr>
<tr>
<td>4D Molecular Therapeutics</td>
<td>$193M</td>
<td>Emeryville, CA</td>
<td>Biotechnology</td>
</tr>
<tr>
<td>BioAlta</td>
<td>$189M</td>
<td>San Diego, CA</td>
<td>Biotechnology</td>
</tr>
<tr>
<td>PulmonX</td>
<td>$175M</td>
<td>Redwood City, CA</td>
<td>Medical Devices &amp; Equipment</td>
</tr>
<tr>
<td>Praxis Precision Medicines</td>
<td>$175M</td>
<td>Cambridge, MA</td>
<td>Biotechnology</td>
</tr>
</tbody>
</table>

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
Global Healthcare comparisons for Q4’20

- **$8.5B**, 259 Deals
- **$1.5B**, 105 Deals
- **$4.6B**, 218 Deals

**Global Total**

- **$14.7B**, 582 Deals

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
Europe received a decrease in funding in Q4’20, with $1.5B in total deal value this quarter.

- Dollars invested in Europe decreased quarter to quarter from $1.7B in Q3’20 to $1.5B in Q4’20, a 10% decrease.
- Deal numbers also decreased quarter to quarter, with 117 deals closing in Q3’20 and 105 deals closing in Q4’20. The average deal value was $14.6M in Q4’20.
Eight-quarter financing trend – Asia

Dollars invested increased in Asia, while number of deals decreased
- Asia saw $4.6B invested across 218 healthcare deals in Q4’20.
- Dollars invested in Asia increased quarter to quarter from $4.0B in Q3’20 to $4.6B in Q4’20.
- Deal numbers have decreased by 6% from the prior quarter, with 218 deals closing in Q4’20 compared to 231 deals closing in Q3’20.
## US States – Full listing of Q4 2020 deals and investments

<table>
<thead>
<tr>
<th>State</th>
<th>$M</th>
<th>#Deals</th>
<th>State</th>
<th>$M</th>
<th>#Deals</th>
<th>State</th>
<th>$M</th>
<th>#Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>21</td>
<td>3</td>
<td>Massachusetts</td>
<td>1,536</td>
<td>42</td>
<td>Rhode Island</td>
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</tr>
<tr>
<td>California</td>
<td>3,892</td>
<td>76</td>
<td>Michigan</td>
<td>81</td>
<td>5</td>
<td>South Dakota</td>
<td>35</td>
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<td>Colorado</td>
<td>409</td>
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<td>Minnesota</td>
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<td>New Hampshire</td>
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<td>Texas</td>
<td>271</td>
<td>10</td>
</tr>
<tr>
<td>DC</td>
<td>13</td>
<td>1</td>
<td>New Jersey</td>
<td>5</td>
<td>2</td>
<td>Utah</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>Delaware</td>
<td>35</td>
<td>1</td>
<td>New York</td>
<td>682</td>
<td>14</td>
<td>Virginia</td>
<td>23</td>
<td>1</td>
</tr>
<tr>
<td>Florida</td>
<td>83</td>
<td>4</td>
<td>North Carolina</td>
<td>76</td>
<td>8</td>
<td>Washington</td>
<td>161</td>
<td>6</td>
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<td>Illinois</td>
<td>475</td>
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<td>Ohio</td>
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<td>Kentucky</td>
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<td>Oregon</td>
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<tr>
<td>Maryland</td>
<td>141</td>
<td>5</td>
<td>Pennsylvania</td>
<td>124</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Omitted states had no deals in the current quarter

Source: PwC/CB Insights MoneyTree™ Report Q4 2020
Methodology

PwC (pwc.com/moneytree) and CB Insights (cbinsights.com) encourage you to review the methodology and definitions employed to better understand the numbers presented in this report. If you have any questions about the definitions or methodological principles used, we encourage you to reach out to CB Insights directly. Additionally, if you feel your firm has been underrepresented, please send an email to info@cbinsights.com and we can work together to ensure your firm’s investment data is up-to-date.

Rankings, e.g. top states and top sectors, are done by quarterly deal activity (that is, deal count for the given quarter).

What is included:

- Equity financings into emerging companies. Fundings must be to VC-backed companies, which are defined as companies that have received funding at any point from either: venture capital firms, corporate venture arms, or super angel investors.
- Fundings of private companies only. Funding rounds raised by public companies of any kind on any exchange (including Pink Sheets) are excluded from our numbers, even if they received investment by a venture firm(s).
- Only includes the investment made in the quarter for tranched investments. If a company does a second closing of its Series B round for $5M and previously had closed $2M in a prior quarter, only the $5M is reflected in our results.
- Round numbers reflect what has closed, not what is intended. If a company indicates the closing of $5M out of a desired raise of $15M, our numbers reflect only the amount which has closed.
- Only verifiable fundings are included. Fundings are verified via (1) various federal and state regulatory filings; (2) direct confirmation with firm or investor; (3) press release; or (4) credible media sources.
- Equity fundings to joint ventures and spinoffs/spinouts are included, given that they meet the VC-backed criteria.
- Geography note: Israel funding figures are classified in Asia.

What is excluded:

- No contingent funding. If a company receives a commitment for $20M subject to hitting certain milestones but first gets $8M, only the $8M is included in our data.
- No business development/R&D arrangements, whether transferable into equity now, later or never. If a company signs a $300M R&D partnership with a larger corporation, this is not equity financing nor is it from venture capital firms. As a result, it is not included.
- No buyouts, consolidations or recapitalizations. All three of these transaction types are commonly employed by private equity firms and are tracked by CB Insights. However, they are excluded for the purposes of this report.
- No private placements. These investments, also known as PIPEs (Private Investment in Public Equities), are not included even if made by a venture capital firm(s).
- No debt/loans of any kind (except convertible notes). Venture debt or any kind of debt/loan issued to emerging, startup companies, even if included as an additional part of an equity financing, is not included. If a company receives $3M with $2M from venture investors and $1M in debt, only the $2M is included in these statistics.
- No non-equity government funding. Grants or loans by the federal government, state agencies, or public-private partnerships to emerging, startup companies are not included.
- No fundings to subsidiaries of a larger parent corporation.
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