

**MARKET UPDATE:
JUNE 2020**

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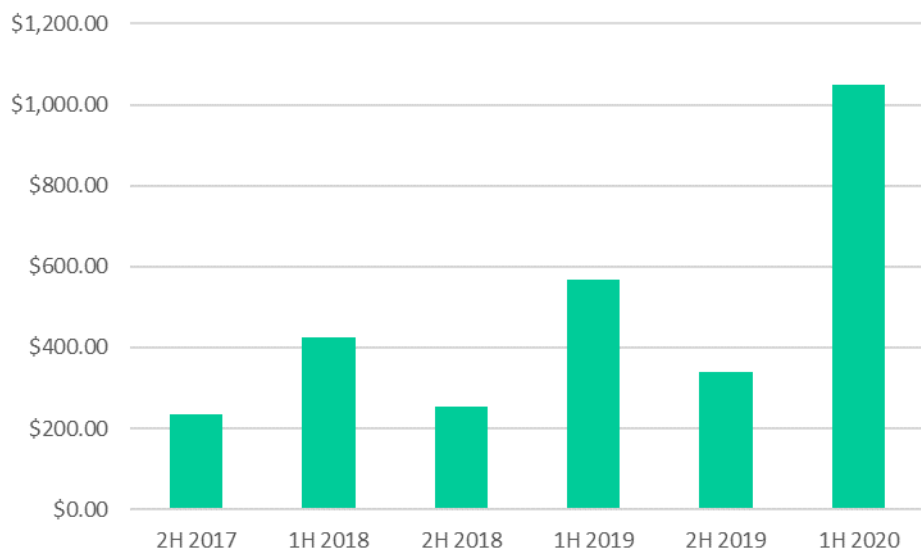
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FUNDING SKYROCKETS IN 2020

According to GIMBHI research, 2020 has seen **over \$1.05 billion in funding** for mental health, behavioral health, and brain health startups spread **across more than 80 deals** (please contact us if you'd like any detailed information).

This is more funding than any single year's funding volume in history. According to two early-stage investors, 2020's total funding volume is likely to eclipse \$1.5 billion before the end of the year. If you're interested in detailed data, insights, and research – feel free to reach out at shiv@gimbhi.com.



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¹ The chart (in \$M) uses data from GIMBHI and CB Insights.



DIGITAL THERAPEUTICS (BEHAVIORAL/MENTAL HEALTH)

On June 15, the FDA cleared marketing of **EndeavorRx** developed by **Akili**. This is the first game-based digital therapeutic device for children with ADHD. “The FDA reviewed data from multiple studies in more than 600 children, including studies that evaluated, among other things, whether participants demonstrated improvements in attention function, as measured by the Test of Variables of Attention (TOVA), academic performance measures, and other assessment tools.”²

The FDA reviewed EndeavorRx through the De Novo premarket review pathway. This action creates a new classification, which means related devices can be cleared through the 510(k) pathway, which is usually less rigorous.

On June 18, **Big Health**, which offers digital behavioral health programs, raised a \$39 million in Series B financing led by Gilde Healthcare Partners and Morningside Group. Other investors in the round include Kaiser Permanente Ventures, Octopus Ventures, and Samsung NEXT Ventures. According to Pitchbook, “the funds will be used to invest in new product development, expand the company’s distribution channels and scale its commercialization activities.” In 2019, Big Health announced a partnership with CVS Health to facilitate the adoption of its digital therapeutics. Sleepio is the company’s main product (a digital therapeutic for poor sleep).³

On June 20, Tokyo-based **CureApp** received government approval, making it the first prescription digital therapeutic in Japan. According to Nikkei, CureApp expects to be covered by public health insurance to commercial markets by the end of 2020. CureApp’s clinical trial included partnering with over 30 smoking addiction clinics in Japan. The study found that 64% of those who used the app stayed smoke-free for six months after using CureApp for 12 weeks, 13 percentage points higher than the control group.⁴

On June 22, **ATAI Life Sciences** announced its launch of **IntroSpect Digital Therapeutics**. “David Keene, who brings almost two decades of experience in tech- and healthcare-related fields, will

² <https://www.fda.gov/news-events/press-announcements/fda-permits-marketing-first-game-based-digital-therapeutic-improve-attention-function-children-adhd>

³ <https://blog.bighealth.com/news/big-health-raises-39-million-in-series-b-financing>

⁴ <https://asia.nikkei.com/Business/Technology/Quit-smoking-app-greenlighted-as-Japan-s-first-digital-therapeutic>



serve as CEO and will be leading ATAI's efforts to bring digital therapeutics (DTx) and precision psychiatry to bear on the mental health epidemic.”⁵ According to Pitchbook, ATAI is the operator of a technology driven, decentralized platform intended to develop drugs for anxiety and depression treatment. Munich-based ATAI has raised \$88.5 million to date.

On June 23, **Happify Health** and the **American Heart Association** launched Happify Heart & Mind, a new digital health program to help people with high blood pressure and/or high cholesterol make meaningful behavior change. Happify Heart and Mind is a new mental health program offered through the Happify Health Solutions platform to employers and health plans. “Happify Heart and Mind teaches people with high blood pressure and high cholesterol strategies to reduce stress, incorporate more heart-healthy foods into their diet, and integrate more movement into their days [...] The efficacy of Happify’s therapy has been proven through two randomized controlled trials and three published studies in peer-reviewed publications. One published randomized controlled trial found a 25% reduction in both the symptoms of anxiety and depression for those using Happify, when compared with an active comparison condition, psychoeducation, used as directed by this study.”⁶

MENTAL HEALTH STARTUPS

According to a SEC filing, at the end of May, Santa Monica-based **Headspace** added roughly \$48 million to its Series C funding round. The Series C closed at a little over \$100 million. Headspace has raised over \$215.6 million to date.⁷

According to Crunchbase, on June 9, **Advekit** raised \$2.6 million in seed funding in a round led by Moment Ventures. Clint Chao, general partner at Moment, will join Advekit’s board.⁸ “The new funding will go toward expanding into new markets and continuing to develop the platform.” Other

⁵ <https://www.prnewswire.com/news-releases/atai-launches-introspect-digital-therapeutics-appoints-veteran-software-engineer-david-keene-as-ceo-301081067.html>

⁶ <https://www.businesswire.com/news/home/20200623005304/en/New-Digital-Tools-People-High-Blood-Pressure>

⁷ https://www.sec.gov/Archives/edgar/data/1805085/000180508520000002/xslFormDX01/primary_doc.xml

⁸ <https://news.crunchbase.com/news/exclusive-advekit-using-2-6m-seed-round-to-grow-market-for-mental-health-platform/>



investors in this round include Wavemaker Partners. Previous investors include Amplify.LA, Tech Coast Angels, Wavemaker360, and XFactor Ventures.

At the end of March, **Tia Health**, the developer of digital wellness solutions and clinics for women, raised \$24.275 million in Series A funding led by Threshold Ventures. Other investors included Torch Capital, John Doerr, Homebrew, Define Ventures, Compound, and ACME Capital. According to Angel.co, “the company said the financing would support the expansion of its telehealth and clinical services to new markets, although co-founder and chief executive Carolyn Witte would not disclose, where, exactly those locations would be.”⁹

In May, **Ceribell** closed a \$20 million venture loan facility to Ceribell, of which \$10 million has been funded. According to a press release, “Ceribell is the developer of an FDA-cleared rapid response electroencephalography (EEG) medical device, which measures the amount of electrical activity in different regions of the brain in order to accurately and rapidly diagnose seizures in critically ill patients.”¹⁰ Proceeds of the financing will be used for strategic growth and general corporate purposes. Horizon Technology Finance Corporation (NASDAQ: HRZN) is a specialty finance company that provides capital in the form of secured loans to venture capital backed companies in the technology, life science, healthcare information and services, and sustainability industries.

On June 3, according to Pitchbook, **Dr. Jud**, a provider of digital rehab programs, was acquired by Sharecare for an undisclosed amount. Dr. Jud was founded in 2012. Atlanta-based **Sharecare**, founded in 2010, is the provider of a health and wellness engagement platform. Sharecare has raised \$390 million to date.¹¹

On June 22, **AbleTo** announced solutions for payers to address mental health needs.

“Therapy 360 integrates AbleTo’s ability to proactively identify, engage and treat high-risk individuals with complex mental health needs and co-occurring medical conditions in a population-

⁹ <https://angel.co/today/stories/tia-health-gets-over-24-million-to-build-a-network-of-holistic-health-clinics-and-virtual-services-for-women-22789>

¹⁰ <https://www.prnewswire.com/news-releases/horizon-technology-finance-provides-20-million-venture-loan-facility-to-ceribell-301062057.html>

¹¹ Pitchbook



based approach to care. This enables coordination of mental health services across the full spectrum of support for a truly holistic, long-term impact.

Therapy+ offers individuals with mild to moderate mental health needs access to AbleTo's nationwide network of specially trained providers for structured programs that include digital support between sessions.

Digital+ combines digital CBT activities with one-on-one motivational coaching to offer individuals with mild needs instant access to techniques that are proven to reduce anxiety and depression."¹²

On June 17, New York-based **Unite Us**, a developer of a SaaS platform for coordinated care networks, announced the acquisition of Staple Health, a platform that tracks how different factors affect acute care, behavioral health, substance abuse and other key patient outcomes. Unite Us has raised \$45 million to date. Some investors include Omidyar Network, Town Hall Ventures, and Oak HC/FT.¹³

PSYCHEDELICS AND OTHER NEWS

Follow Psyched (A Bi-monthly Column on the Psychedelics Industry on Benzinga) by Natan Poniaman at the link [here](#)¹⁴ On June 17, **Silo Wellness**, psychedelics company based in Oregon, signed a letter of intent to merge with Yukonterre Resources. On June 18, **Mind Medicine** announced it will start studying DMT's effects on humans. On June 11, **Champignon Brands** closed roughly \$15 million CAD in a private placement deal led by Canaccord Genuity Corp. and Eight Capital.

National Heavy Vehicle Regulator in Australia provided a \$250,000 grant to **OzHelp**. OzHelp focuses on mental health and suicide prevention in high risk careers. OzHelp used the grant to develop a program for truck drivers.¹⁵

¹² <https://www.ableto.com/news/new-product-suite/>

¹³ <https://blog.uniteus.com/staple-health-data-acquisition>

¹⁴ Headlines following are from Psyched that can be found at the link

¹⁵ <https://www.bigrigs.com.au/news/mental-health-initiative-for-truckies-is-coming/4042594/>



The Australian Government recently announced additional funding for mental health. Specifically, the Minister for Mental Health announced \$300,000 for a Rural Outreach Program to help people deal with psychological distress. The government recently announced \$19.5 million fund mental health programs including suicide prevention programs in Victoria.¹⁶

¹⁶ <https://www.miragenews.com/wimmera-gets-extra-mental-health-outreach-support/>



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