

**MARKET UPDATE:  
JUNE 2020**

June 24, 2020

**Shiv Bhavnani, CAIA**

shiv@gimbhi.com

+1.908.268.4728

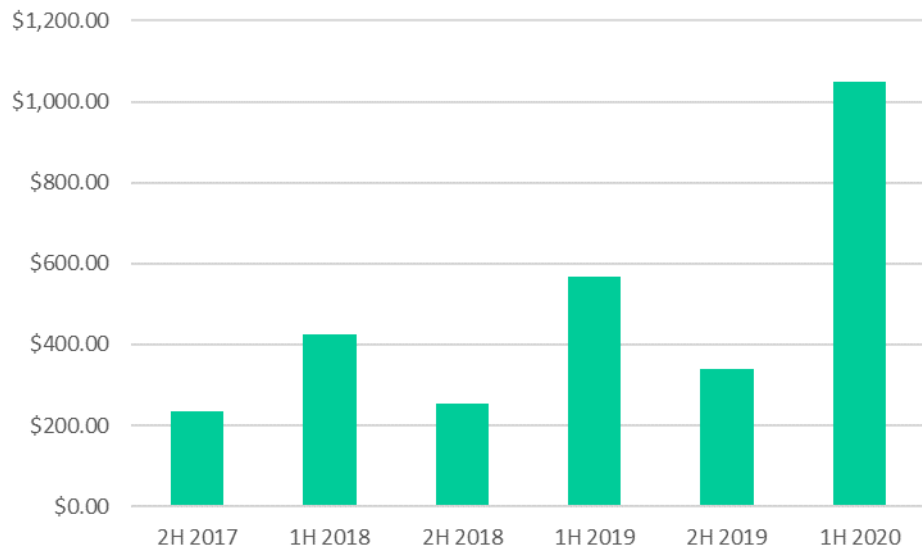
**Contributing Authors:**

Ash Kumar

**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](mailto:shiv@gimbhi.com).



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



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## 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.”<sup>2</sup>

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).<sup>3</sup>

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.<sup>4</sup>

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

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

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

<sup>4</sup> <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.”<sup>5</sup> 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.”<sup>6</sup>

## 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.<sup>7</sup>

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.<sup>8</sup> “The new funding will go toward expanding into new markets and continuing to develop the platform.” Other

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

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

<sup>7</sup> [https://www.sec.gov/Archives/edgar/data/1805085/000180508520000002/xslFormDX01/primary\\_doc.xml](https://www.sec.gov/Archives/edgar/data/1805085/000180508520000002/xslFormDX01/primary_doc.xml)

<sup>8</sup> <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.”<sup>9</sup>

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.”<sup>10</sup> 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.<sup>11</sup>

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-

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<sup>9</sup> <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>

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

<sup>11</sup> 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."<sup>12</sup>

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.<sup>13</sup>

## PSYCHEDELICS AND OTHER NEWS

Follow Psyched (A Bi-monthly Column on the Psychedelics Industry on Benzinga) by Natan Poniaman at the link [here](#)<sup>14</sup> 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.<sup>15</sup>

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

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

<sup>14</sup> Headlines following are from Psyched that can be found at the link

<sup>15</sup> <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.<sup>16</sup>

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



## OUR COMMITMENT TO INTEGRITY & STAND AGAINST HARASSMENT

(Please click [here](#) for the link to the original version published June 4, 2020)

Over the past few weeks, a well-known figure in the mental health tech venture capital community has launched a series of attacks on GIMBHI and me, Shivan Bhavnani, with accusations of plagiarism. These allegations are categorically false. It is my responsibility to address these allegations on behalf of myself and GIMBHI.

Several professionals in the mental health tech community, professors, and colleagues have informed me that this individual has been privately and publicly accusing me of plagiarism. According to his private and public accusations, this individual has alleged that 1) we are copying his content directly 2) there are many examples of this. In reality, there are zero examples of this. This is an easily verifiable statement as both, the content published by GIMBHI and the content published by this individual (and affiliated organization) are publicly available.

When pressed to provide even a singular instance of the alleged plagiarism, he failed to do so. This is because we have never copied and will never copy any other person's or organization's content, without express permission and direct attribution. GIMBHI stands by the integrity of its data and content. To remove any shadow of doubt, an investigation using two separate plagiarism checking programs found a 0% match between all published work of GIMBHI and all publicly available work of this individual and the affiliated organization (as of 6/3).

In response to these accusations, GIMBHI has offered several times to disclose every data point and every source to this individual to clear up any confusion. All of these attempts have been ignored by the individual. Instead, he chooses to spread these false accusations throughout my professional network. Strangely enough, this individual has started to warn people in my professional network about a "continued onslaught of slander and defamation being waged against [him] and [his] business by GIMBHI." Furthermore, in an effort to intimidate me, the individual has threatened me, a minority student, with the police. It's been a difficult month.

I am in the MBA program at Duke University. I founded GIMBHI last year to encourage more funding for entrepreneurs developing solutions to address the mental health crisis. Our sole mission is to help the mental health tech community grow. It is immensely disappointing to see such a well-known member of our community launch these unsubstantiated, destructive, and self-serving attacks, even during these difficult times. Upon reflection, it has been equally disheartening to encounter those who choose to enable, excuse, and turn a blind eye to this harassment and



intimidation. Of course, it can feel uncomfortable to stand up against this behavior. It can feel risky and it can feel easier to not be involved. But as leaders, it's crucial that we do at least the bare minimum to protect victims.

Despite this individual's claims, no legal action has been taken against me or GIMBHI. GIMBHI has requested this individual to cease further accusations or threats. We have engaged legal counsel and any further attacks, allegations, accusations, threats, or harassment from this individual will be met with swift legal action.

I refuse to allow myself or members of our community to be victimized by this individual's harassment. We will not be intimidated. ***And while there are those who may enable, excuse, or comply with these individuals, I believe I speak for the entire mental health tech ecosystem when I say there is no place for harassment in our community.***

If you have been harmed by any persons in the manner in which we have, or if you know about any harassment happening in our community - you are not alone. Reach out to us.

Sincerely,

**Shivan S. Bhavnani, CAIA**

Founder & CEO, Global Institute of Mental & Behavioral Health Investment  
shiv@gimbhi.com





Subscribe to our research & market intelligence, and join our network. Feel free to reach out with any questions, comments, or ideas.



[gimbhi.com](http://gimbhi.com)



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