Exits are Back.
Easy Exits Aren’t.

M&A dominates, the IPO window stays shut, and only evidence-led, capital-efficient ventures clear the bar



Exits Trends • Pipeline Maturity

Category Focus • Investment Decisions

Partnerships • Regional Focus • Implications

Digital Health 2026

Powered by HealthTech Alpha – the decision-grade healthcare innovation insights platform

Published by Galen Growth, June 2026

10 YEARS | GALEN GROWTH

A Decade of Redefining Digital Health Intelligence

Exits Are the New Test of Value

Compressed paper multiples + a closed IPO window → **M&A is the only realistic path to liquidity** for most digital health portfolios

Capital has reset — funding contraction has raised the bar

The market has moved from narrative-driven valuations to proven performers — only ventures with evidence, scale, and capital efficiency keep getting funded.

Paper value has compressed materially — exits are the true test of value creation

Investors must convert compressed markups into realised exits (DPI) — value is now proven through transactions, not valuations. Investors must plan for longer holding periods and slower liquidity cycles.

The IPO window stays shut for most — public markets are selective

IPO is earned, not broadly available — most ventures cannot rely on public markets for liquidity.

M&A is the market default — the only realistic path to liquidity

M&A is not Plan B — it is Plan A; portfolios must be built for strategic acquirers as the market's liquidity mechanism. Solid planning is required, as the time to exit via M&A has risen from a median of 7 years in 2022 to 9.5 years in the first half of 2026.

Exits are ownership-change events — M&A reshapes ecosystems and risk

Deals like Roche/PathAI transfer control and introduce partner risk — corporates, investors, and ventures must actively manage dependency, neutrality, and governance.

Exit Market in Numbers

M&A dominates exit routes. Strategic acquirers are reshaping infrastructure ownership. IPO returns are selective and evidence-led. Roche/PathAI is the warning shot: the next M&A deal in your portfolio may also change the risk profile of everyone depending on the acquired asset.

95%

M&A is the market default

Acquisitions represent 268 of 282 digital health exits (95%) from 2025 to June 2026. IPOs remain selective — requiring clinical evidence and commercial scale — meaning strategic acquisition is the realistic path for most ventures.

68%

North America leads, Europe supports

The USA accounts for 68% of exits. Europe — led by the UK, Germany, and France — represents 20%, while APAC remains a secondary market.

60+

Infrastructure and care delivery attract buyers

Health Management Solutions leads all clusters with 60+ exits. Patient Solutions, Medical Diagnostics, and Population Health Management follow. Buyers are targeting scale and workflow — not point solutions.

$1.05B

Roche/PathAI: the neutrality warning shot

Roche's $1.05B acquisition of PathAI turns a neutral pathology AI platform into an owned Roche asset. Its 10 pharma partners — including Gilead, MSD, Novo Nordisk and GSK — face a governance decision they cannot defer.

9y

Time to exit median 9 years

The median venture exiting in 2026 year-to-date took 9 years from incorporation to exit. Cohorts founded 2016–2020 are entering the peak exit window. The pipeline for 2027–2029 exits is already in formation.

What It Means For Ecosystem Stakeholders

Pharma & Corporates

Treat vendor acquisition as a governance trigger

- Map all digital health vendor dependencies and identify which are acquisition-prone and the related timelines
- Build change-of-control provisions into new vendor contracts — standard legal review is insufficient
- The BD and R&D scouting question is shifting: not "does the technology work?" but "who might control it next?"

Investors

Underwrite strategic acquirability, not just growth

- The IPO window is open only for evidence-led, scaled businesses — do not model IPO exits broadly
- Strategic M&A is the primary liquidity mechanism: build portfolios of ventures that solve clearly defined buyer problems
- Model longer hold periods: median time to exit is 9 years — 2016–2019 portfolios are entering the window now

Digital Health Ventures

Build for trust, evidence, and acquirability

- Exit readiness requires strategic clarity: know who your acquirer is and what infrastructure gap you solve
- Clinical evidence and reimbursement clarity are no longer differentiators — they are minimum requirements
- Capital efficiency matters: median M&A exit follows a $7.7M last funding round — the acquirer is buying the asset, not the burn rate

"Exits are no longer just liquidity events. They are ownership-change events that can reshape trust, data control, and competitive exposure."
— Galen Growth

What we counted (and what we did not)

Source of Data

Unless otherwise stated, all data are exclusively sourced from **HealthTech Alpha™, Galen Growth's AI-native Digital Health intelligence platform**, which continuously monitors, structures, and audits billions of data points across the global ecosystem. HealthTech Alpha tracks 16,000+ Digital Health ventures across funding, partnerships, evidence, regulatory activity and products.

For more information, visit HealthTech Alpha.

Data Scope

The 2026 digital health exits analyses within the report consider ventures across the globe, with selected analysis focusing on six key regions for Digital Health: North America, Asia Pacific, the Middle East, western Europe, South America (key markets), and Africa. The venture's geographic location is determined by its initial country of incorporation.

Venture funding includes all stages up to but excluding the exit event.

The following criteria must be met for a company to be considered a digital health venture in this report:

- Incorporated after 2002
- Qualified as being Digital Health, i.a.w. Galen Growth's rigorous taxonomy - see taxonomy slide
- Subsidiaries of large corporations (e.g. Microsoft) are excluded



Explore 16,000+ Ventures
In HealthTech Alpha

Methodology

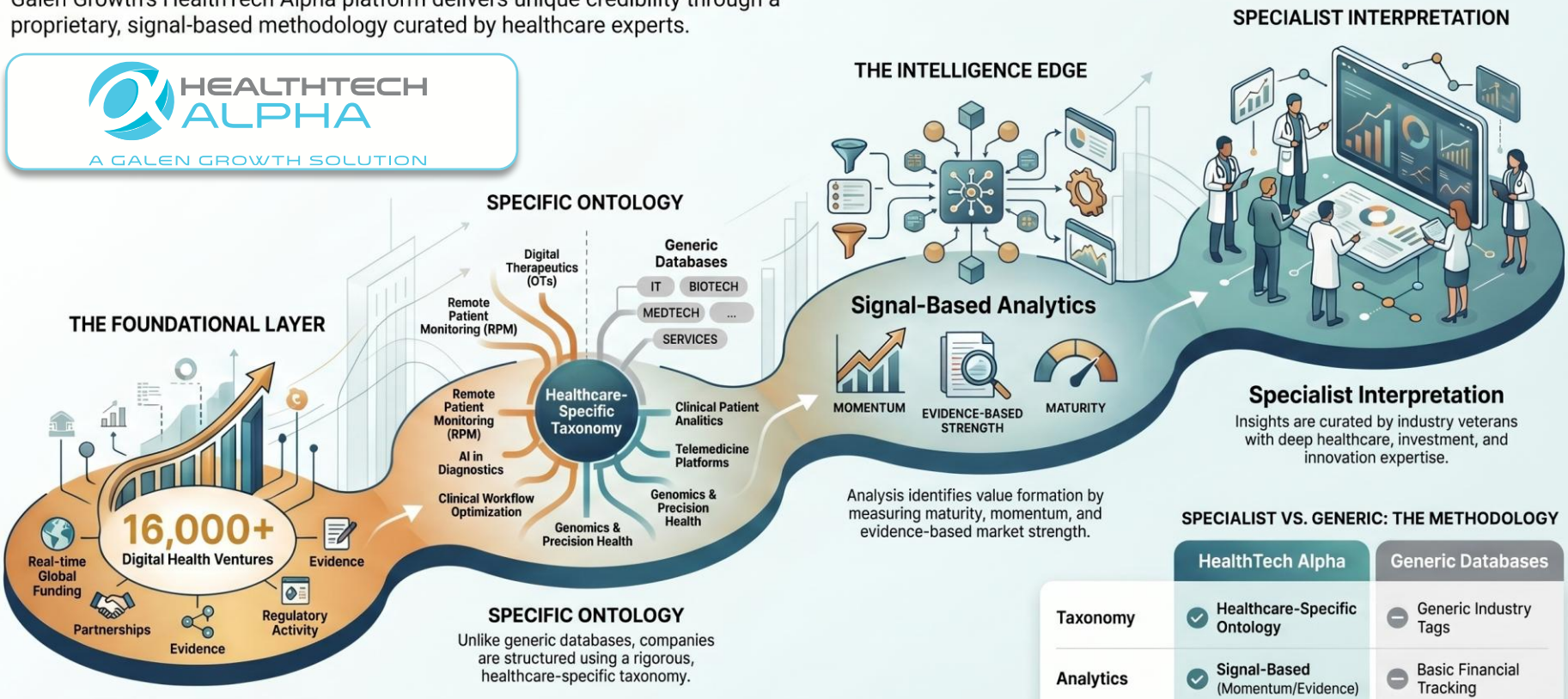
Analytics presented in this report are Galen Growth's proprietary algorithms and are explained on the Alpha Forecaster Analytics slide

© 2026 by Galen Growth - All rights reserved.

Why This Analysis Is Different: The HealthTech Alpha Edge

Galen Growth's HealthTech Alpha platform delivers unique credibility through a proprietary, signal-based methodology curated by healthcare experts.

HEALTHTECH ALPHA
A GALEN GROWTH SOLUTION



THE FOUNDATIONAL LAYER

HealthTech Alpha tracks global funding, partnerships, evidence, and regulatory activity in real-time.

SPECIFIC ONTOLOGY

Unlike generic databases, companies are structured using a rigorous, healthcare-specific taxonomy.

Analysis identifies value formation by measuring maturity, momentum, and evidence-based market strength.

Specialist Interpretation

Insights are curated by industry veterans with deep healthcare, investment, and innovation expertise.

SPECIALIST VS. GENERIC: THE METHODOLOGY

	HealthTech Alpha	Generic Databases
Taxonomy	Healthcare-Specific Ontology	Generic Industry Tags
Analytics	Signal-Based (Momentum/Evidence)	Basic Financial Tracking
Interpretation	Digital Health Specialists	Generalist Data Analysts

© 2026 by Galen Growth - All rights reserved.

Contents

Report Contents

Foreword & Key Takeaways	Slides 2–4	Core thesis, executive summary, methodology, why exits matter now
The Exit Market	Slides 8–18	Exit volume, route mix, disclosed value, region, cluster, business model, funding, time to exit
M&A: The Discipline Mechanism	Slides 19–34	Capability acquisition, top disclosed deals, MOIC compression, consolidation pressure
The Neutrality Test	Slides 28–34	Roche/PathAI case study, pharma partner exposure, vendor-neutrality risk, governance response
Public Markets	Slides 35–40	IPO window analysis, IPO watchlist, SPAC dormancy
2026 Outlook & Implications	Slides 41–44	Exit scenarios for pharma, investors, and ventures
Reference Notes & About Galen Growth	Slides 45–53	Core thesis, executive summary, methodology, why exits matter now

The Exit Market

Selective Liquidity, Not Broad Recovery

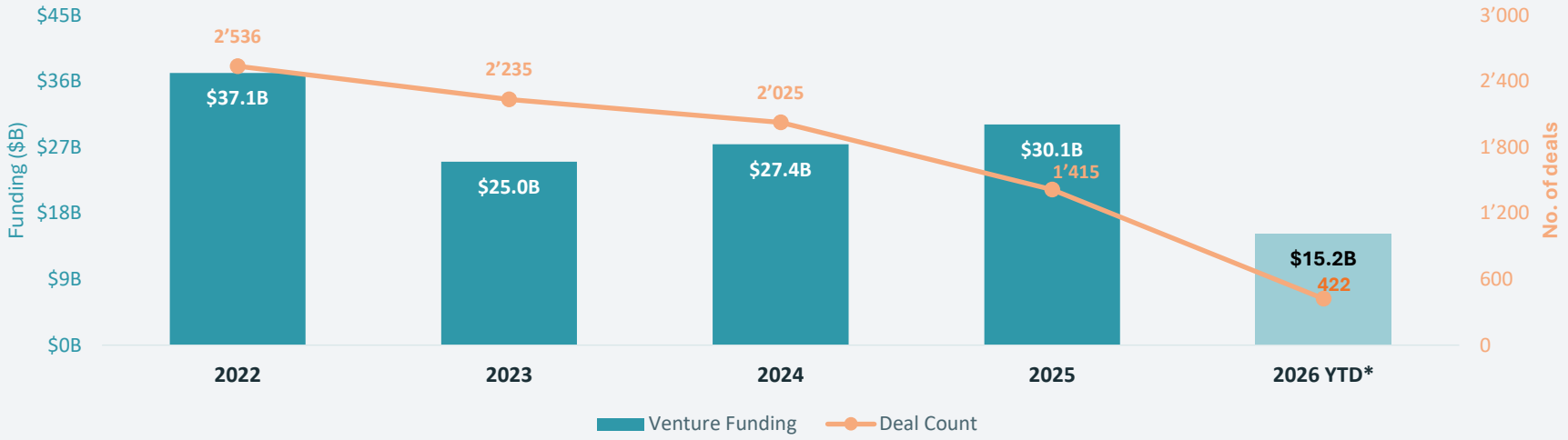
The Global Context for Funding

$15.2B
2026 YTD funding
Jan–Jun · 422 deals

$30.1B
2025 full year
1,415 deals

$41.0M
Avg deal 2026 YTD
vs $24.6M in 2025

$25.0B
2023 trough
Lowest in period



KEY TAKEAWAY · Funding contracted sharply from the 2022 peak before troughing in 2023; the 2024–2025 recovery reflects capital concentrating in fewer, larger deals. At $41.0M average deal size, 2026 YTD is already the highest in the five-year period — signalling continued investor conviction around proven, scalable models.

Source: HealthTech Alpha, June 2026

Excluding all exit and post-exit stages

Why Exits Matter Now: The True Test of Value Creation

Hype

2020–2021

Narrative-driven valuations. Capital flooded in. Paper multiples at peak.

Repricing

2022–2023

Rate rises, evidence demands. Seed MOIC halved. Funding fell 60%.

Proof

2024

Capital concentrating into proven performers. Commercial traction required.

Selective Liquidity

2025–2026

Exits for strategically valuable assets. M&A validates. IPOs are earned.

Liquidity is no longer a growth-story reward — it is a discipline mechanism. Only ventures that can demonstrate strategic value, clinical evidence, or infrastructure indispensability are exiting at meaningful valuations. The market is maturing and consolidation is inevitable — fragmented point solutions will increasingly be absorbed by platforms and strategic acquirers as the landscape narrows around proven, scalable operators.

KEY TAKEAWAY · Post-2021 correction has permanently raised the exit bar. Exits are now the market's clearest signal of which digital health assets have earned strategic value.

Exit Dynamics Shape Digital Health's Next Chapter

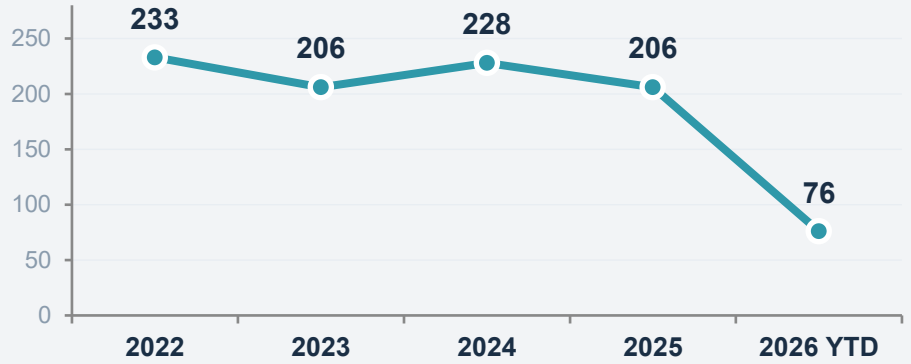
As digital health ventures mature, exits are becoming the mechanism through which the sector's competitive architecture is redrawn — not background noise, but the primary signal of where value is concentrating and who will shape the industry's next chapter.

IPOs crown the most resilient companies with public-market legitimacy and capital to scale, setting benchmarks for clinical evidence and commercial performance that the entire field must reckon with. M&A — the dominant exit route — is consolidating the landscape into integrated platforms and reshaping the partner ecosystems that pharma, medtech, and payer organisations depend on.

For any leader with a digital health strategy, exit trends reveal which ventures will become tomorrow's independent strategic partners — and which will be absorbed into competitors — defining the partnership landscape for the decade ahead.

Digital health exits, by year

Total exits per year



949 Total exits 2022–YTD 2026

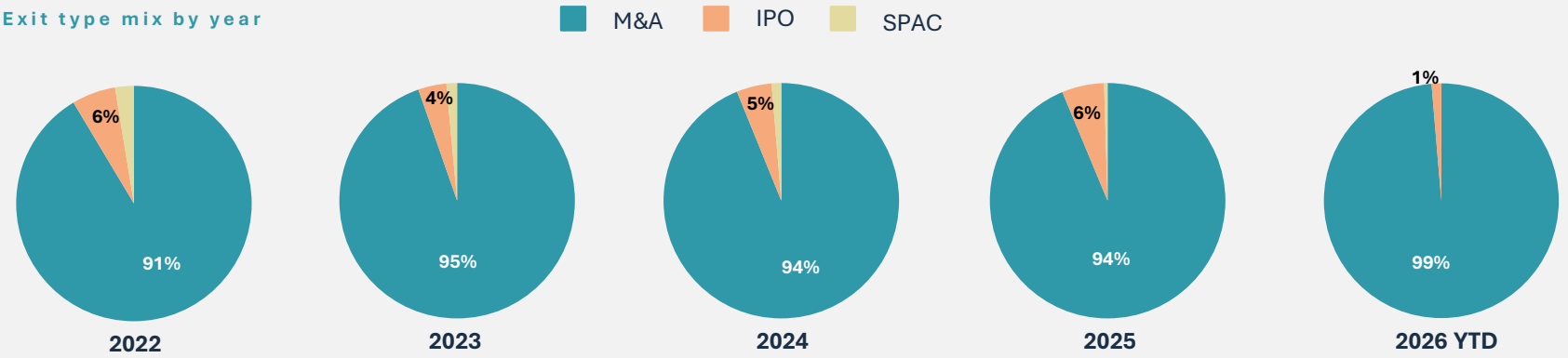
KEY TAKEAWAY · Exit activity is not the endgame of the venture cycle — it is the opening move of digital health's next competitive era. Leaders who understand where the market is consolidating today will be best positioned to shape the partnerships and strategies that define the sector's structure for the decade ahead.

Source: HealthTech Alpha, June 2026

* Freenome SPAC is not included but was announced in Dec 2025 and is expected to close in 2026.

Exit Volume: M&A Remains the Market's Default Route

Exit type mix by year



2022 – 2026 YTD

890
M&A Transactions · 94%

46
IPOs Completed · 5%

13
SPAC Transactions · 1%

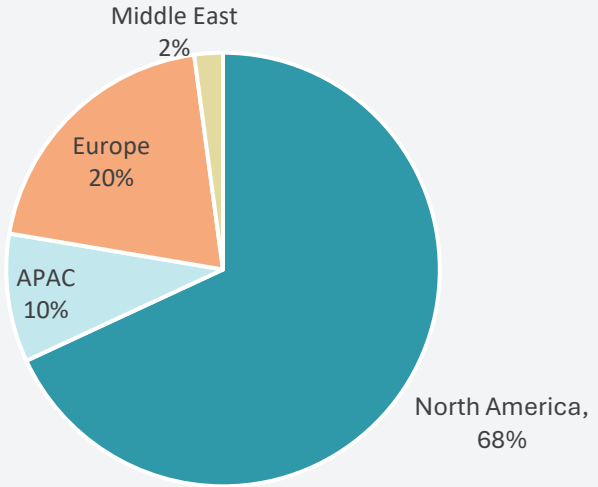
KEY TAKEAWAY · M&A is not recovering — it never stopped. It is the dominant and realistic exit route for the majority of digital health ventures. IPOs demand maturity, scale, and evidence that most companies cannot yet demonstrate. For most ventures, the only realistic exit is a strategic acquirer.

Source: HealthTech Alpha, June 2026

* Freenome SPAC is not included but was announced in Dec 2025 and is expected to close in 2026.

Where Exits Are Happening: USA Remains Dominant

Distribution of exits in 2025 and YTD 2026, by region



North America

192 | 68%

141 in 2025, 45 in 2026 YTD. USA drives 97%+ of regional volume.

Europe

57 | 20%

41 in 2025, 16 in 2026 YTD. UK, Germany, France lead.

Asia Pacific (APAC)

27 | 10%

21 in 2025, 6 in 2026 YTD. India, Australia, China represented.

Middle East

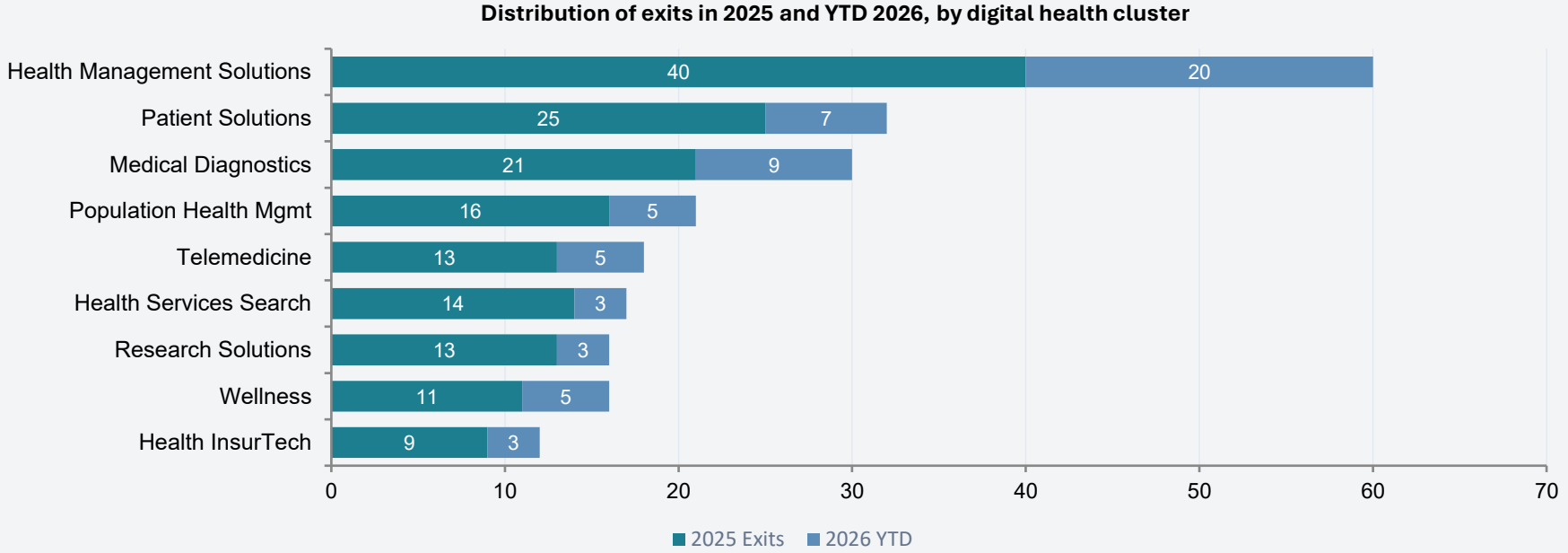
6 | 2%

Emerging exit activity. Early stage market.

KEY TAKEAWAY · North America accounts for 68% of exits. Europe at 20% is the second largest market, with growing exit activity in the UK, Germany, and France. APAC exits are present but remain a secondary market.

Source: HealthTech Alpha, June 2026

Which Clusters Are Exiting: Infrastructure and Patient Solutions Lead

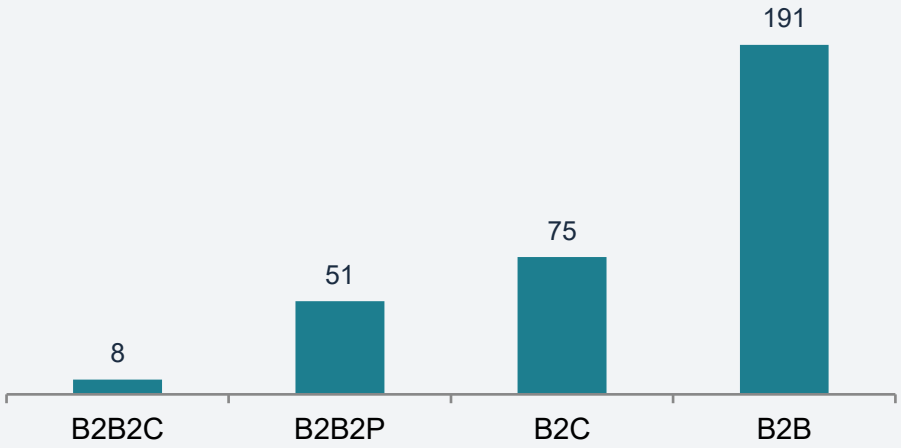


KEY TAKEAWAY · Health Management Solutions (60 exits) is the most active exit cluster. Patient Solutions, Medical Diagnostics, and Population Health Management follow. Buyers are targeting infrastructure, workflow, and care delivery — not point solutions.

Source: HealthTech Alpha, June 2026

Business Model Matters: Enterprise Routes Dominate Exit Activity

Distribution of exits in 2025 and YTD 2026, by venture business model



B2B (69%)
142 exits. Enterprise workflow, clinical infrastructure, and payer-facing solutions attract the strongest strategic acquirer appetite.

B2C (27%)
72 exits. Consumer platforms, wellness apps, and direct-to-patient telehealth — smaller deal sizes on average.

B2B2P (18%)
46 exits. Hybrid models reaching patients via institutional channels — growing acquirer interest as evidence requirements rise.

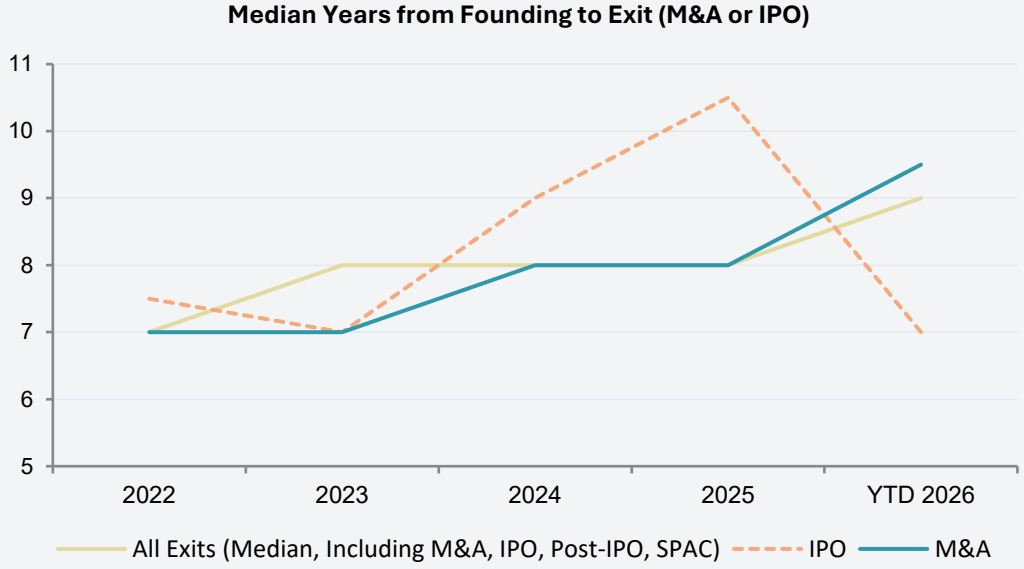
B2B2C (3%)
8 exits. Small volume but strategically interesting for reaching populations through non-healthcare channels (example: corporate health)

Note: venture can have multiple business models, and therefore they can be counted in more than one category

KEY TAKEAWAY · B2B models account for 69% of exits. Buyers are acquiring enterprise-grade infrastructure. B2C exits represent 27% — with typically smaller deal sizes and more undisclosed valuations.

Source: HealthTech Alpha, June 2026

Time to Exit Has Crept Up: Median 9 Years



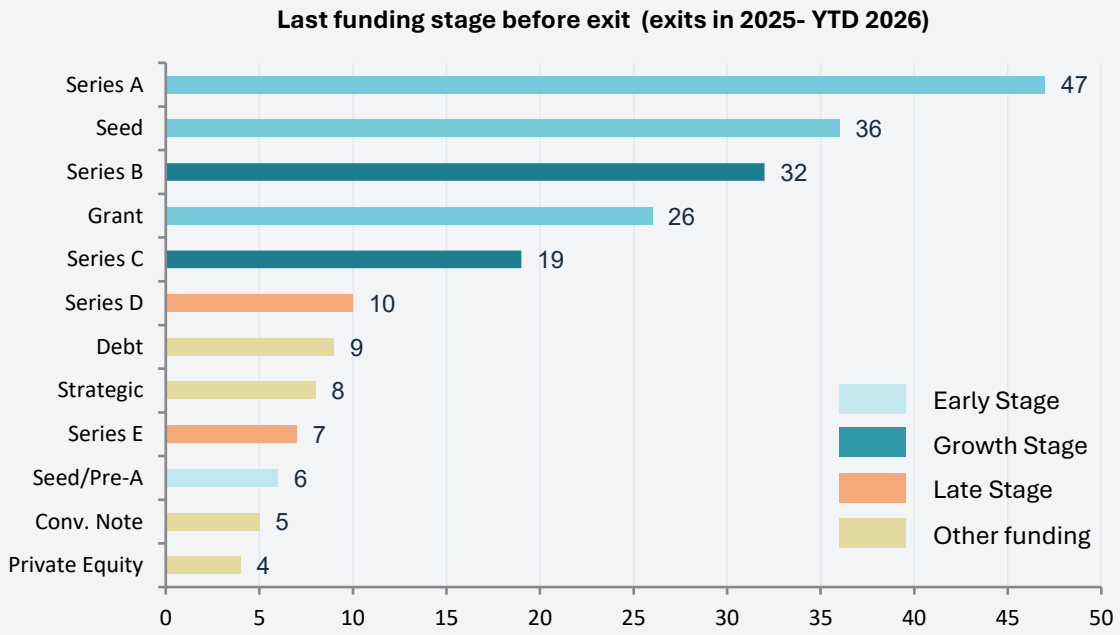
Cluster	Exits	Avg TTE	Avg Val*
Patient Solutions	32	11.9y	$1391M
Health Services Search	17	12.6y	$621M
Telemedicine	18	9.0y	$514M
Medical Diagnostics	30	10.5y	$476M
Health Mgmt Solutions	60	11.4y	$440M
Population Health Mgmt	21	8.3y	$320M

*Avg val. based on disclosed deals only

KEY TAKEAWAY · The 2017 founding cohort produced 33 exits in 2025–2026 — the largest of any vintage. Ventures founded 2018–2020 are approaching peak exit readiness.

Source: HealthTech Alpha, June 2026

Long-Term Strategy: Quick Exits are not the Norm



Series A — Most common last funding stage at exit

47 ventures exited having last raised a Series A.

$7.7M — Median last funding for M&A exits

Mean $21.7M — skewed by outliers. Most M&A targets raised modestly.

$154M — Median last funding for IPO exits

Mean $247M. IPOs require substantially more pre-exit capital.

>60% — Series B & beyond

Early-stage exits are the exception and not the norm – exits are increasingly taking longer.

KEY TAKEAWAY · Despite Series A being the most common single exit stage, more than 60% of exiting ventures had progressed to Series B or beyond before exit, confirming that early-stage exits remain the exception.

Source: HealthTech Alpha, June 2026

Make This Report Yours

Alpha Briefs — your strategic question, answered

Executive-ready intelligence built on HealthTech Alpha, enhanced by analysis and Galen Growth expertise — fixed scope, delivered in a fraction of the time of traditional research.

CHOOSE YOUR BRIEF

ECOSYSTEM ALPHA BRIEF

Who matters in this market?

COMPETITOR ALPHA BRIEF

What are competitors doing?

PARTNER ALPHA BRIEF

Who should we partner with?

INVESTOR ALPHA BRIEF

Who is funding this market?

MARKET OPPORTUNITY ALPHA BRIEF

Is this market attractive?

EXECUTIVE ALPHA BRIEF

Bring me up to speed quickly

Request Your Alpha Brief →

Start with this Exits report and tailor it to your priorities.

research@galengrowth.com · galengrowth.com

© 2026 Galen Growth

M&A: The Discipline Mechanism

Capability acquisition, consolidation, and valuation pressure

M&A is Validating Infrastructure Assets Across Five Strategic Themes

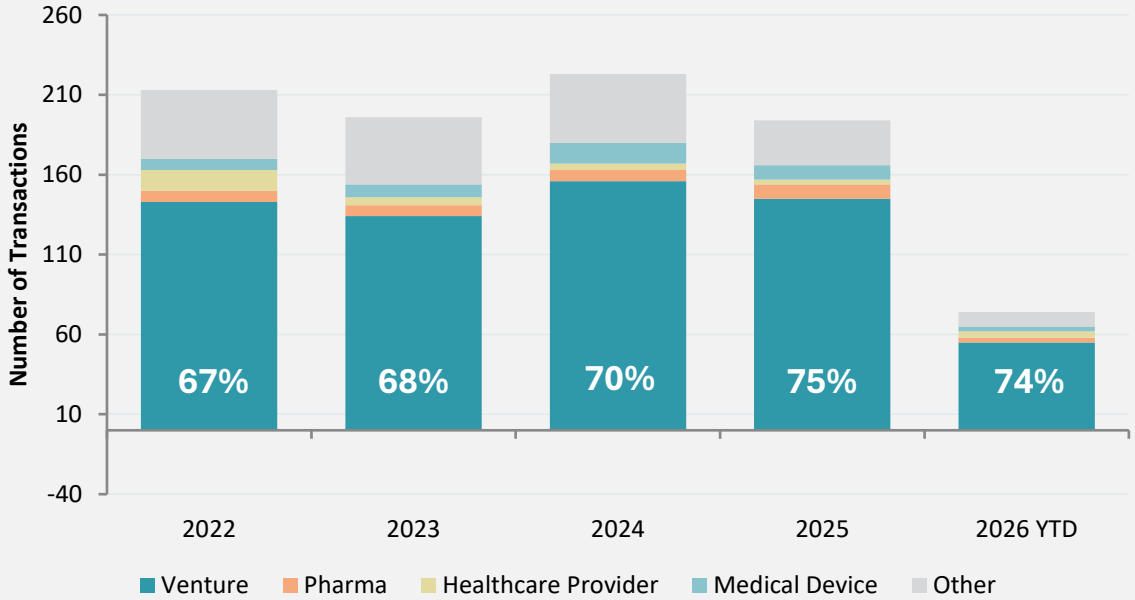
Capability Buy	Consolidation	Vertical Integration	Data Asset	Channel Expansion
Acquiring AI, diagnostics, and clinical-decision capabilities that would take years to build internally. CentralReach (ABA software), SAGA Diagnostics (liquid biopsy).	Scaling market share in fragmented categories through acquisitive roll-up. Talkspace acquired by UHS to scale mental health services delivery.	Acquiring to own more of the care, diagnostic, or payment workflow end-to-end. Waystar/Iodine — revenue cycle AI embedded in clinical coding.	Acquiring proprietary patient, clinical, or pathology datasets that carry compounding value as AI training and regulatory validation foundations.	Acquiring distribution into new geographies, patient cohorts, or institutional segments. Hims & Hers/Eucalyptus: UK, Australia, Japan, Germany.
CentralReach · SAGA Diagnostics · PathAI	*Talkspace · Accolade · Iodine Software*	*Iodine Software · Naveris · Gleamer*	*PathAI · Kaia Health · SomaLogic*	*Eucalyptus · Care.com · Thirty Madison*

KEY TAKEAWAY · Strategic acquirers are not buying revenue — they are buying infrastructure, data assets, and capability that they cannot replicate at speed. The most valuable exits solve a problem the acquirer knows it has.

Source: HealthTech Alpha, June 2026

Mergers & Acquisitions: Acquirer Dynamics

M&A transactions by year, distributed by acquirer vertical type | Global



AT A GLANCE

900+ — **M&A transactions tracked**
2022 – 2026 YTD

~70% — **Average venture-to-venture share of annual deals**

74 — **Transactions in 2026 YTD**
(as of June 2026)

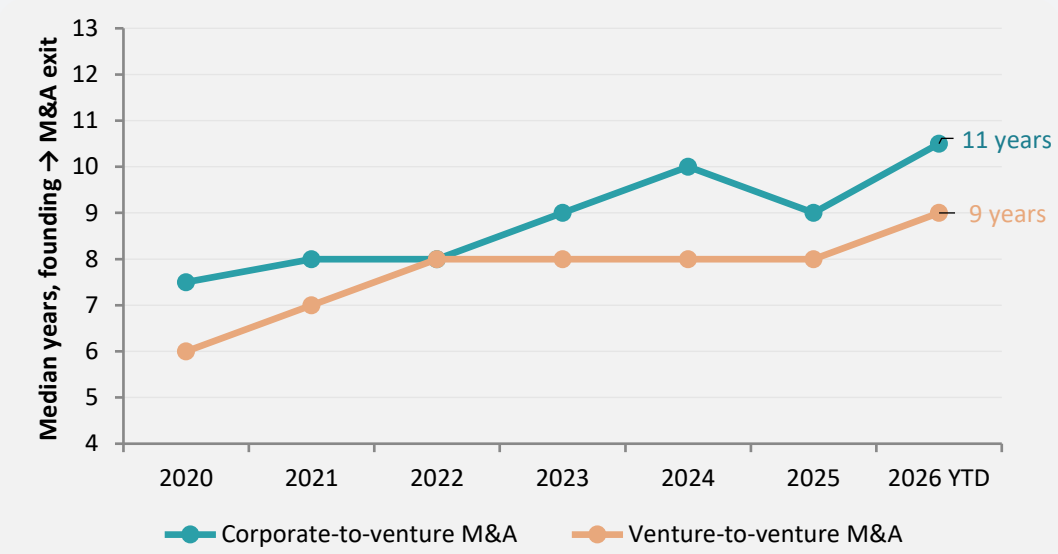
<5% — **Pharma acquirer share**
across all years

KEY TAKEAWAY · Venture-to-venture consolidation dominates digital health M&A, consistently accounting for ~70–75% of annual deal volume. Strategic acquirers—pharma and others—remain selective and collectively represent fewer than 15% of transactions, signalling that large-scale strategic consolidation has yet to materialise at scale.

Source: HealthTech Alpha, June 2026

Corporate Buyers Look for Demonstrated Staying Power

Median years from founding to M&A exit, by acquirer type | Global



Corporate acquirers target proven companies

Corporates consistently acquire targets 2–3 years more mature than venture acquirers, signaling a preference for commercial validation and de-risked execution over earlier-stage optionality.

Time-to-exit is rising across both pathways

From 2020 to 2025, median years to M&A exit rose across both acquirer types. Founders and investors should plan for longer holding periods and extended value-creation timelines.

Stakeholder messages:

For **founders**, building for endurance.
For **investors**, expect to underwrite longer paths to liquidity.
For **corporate acquirers**, the premium continues to be paid for proven assets rather than promising experiments.

KEY TAKEAWAY · Corporate acquirers consistently buy more mature companies than venture acquirers do — a gap of 2–3 years that has held across the entire period, but both timelines are rising. Founders and investors should plan for extended holding periods; the window to exit is widening, not contracting.

Source: HealthTech Alpha, June 2026

© 2026 Galen Growth · EXITS

Top Disclosed M&A Deals: 2025

#	Venture	Acquirer	Cluster	Value	Rationale
01	CentralReach	Roper Technologies	Patient Solutions	$1.65B	Capability Buy
	Vertical software acquisition of ABA/autism therapy platform serving 200,000+ clinicians.				
02	Orbital Therapeutics	Bristol-Myers Squibb	Research Solutions	$1.50B	Capability Buy
	BMS acquires circular RNA platform technology. Strategic bet on next-generation RNA therapeutics infrastructure.				
03	Iodine Software	Waystar	Health Mgmt Solutions	$1.25B	Vertical Integration
	Clinical AI for coding accuracy acquired to embed intelligence into Waystar's revenue cycle management stack.				
04	Accolade	Transcarent	Health Services Search	$621M	Consolidation
	Care navigation consolidation — Transcarent acquires Accolade to deepen employer health navigation and benefits engagement.				
05	Thirty Madison	Remedy Meds	Telemedicine	$500M	Consolidation
	Remedy Meds acquires virtual specialty care platform (Keeps, Nurx, Cove) to build scaled DTC telehealth ecosystem competing with Hims & Hers and Ro.				

KEY TAKEAWAY · The top five 2025 M&A deals total $5.5B in disclosed value. All five acquirers are US-based, spanning healthcare tech, pharma, and consumer telehealth. Every deal reflects long-term infrastructure logic, not short-term cost arbitrage.

Source: HealthTech Alpha, June 2026

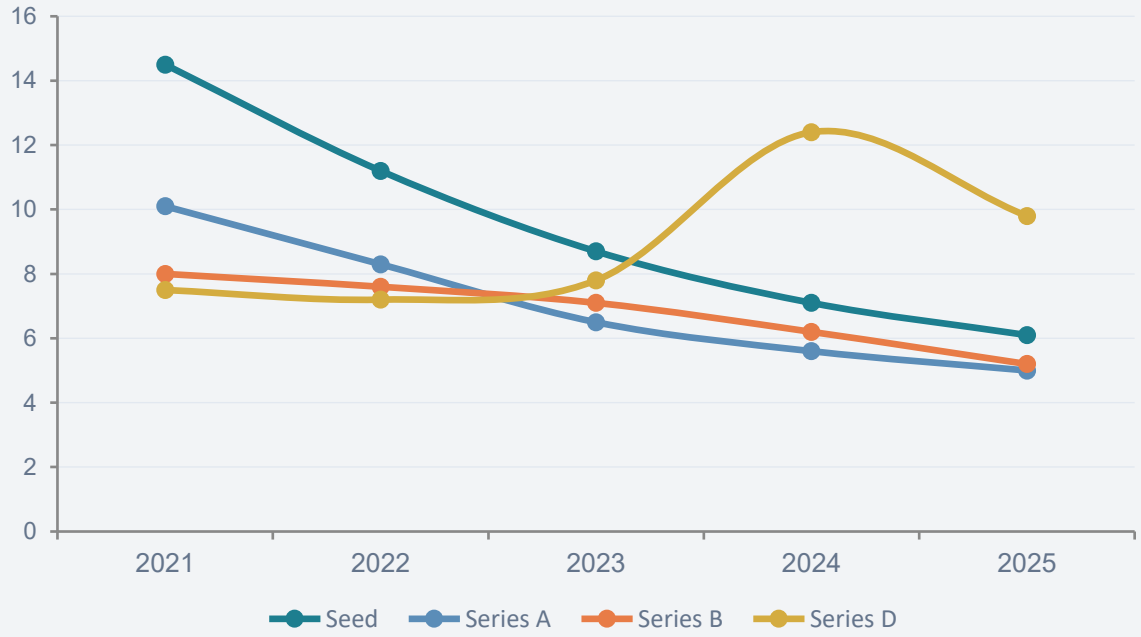
Top Disclosed M&A Deals: 2026 Year to Date

#	Venture	Acquirer	Cluster	Value	Rationale
01	**Eucalyptus**	Hims & Hers	Telemedicine	$1.11B	Channel Expansion
	Hims & Hers acquires Australian telehealth leader to enter Australia and Japan, deepen UK/Germany. Up to $1.15B total including earnouts. Closed June 2026.				
02	**Talkspace**	Universal Health Services	Telemedicine	$865M	Consolidation
	UHS acquires scaled digital mental health platform to embed into its 400+ behavioural health facilities — a health systems consolidation play.				
03	**SAGA Diagnostics**	Roche	Medical Diagnostics	$595M	Capability Buy
	Roche acquires SAGA's ctDNA/liquid biopsy technology platform to strengthen its oncology diagnostics infrastructure and MRD monitoring capabilities.				
04	**Care.com**	Pacific Avenue Capital	Population Health Mgmt	$320M	Consolidation
	Private equity take-private of the elder and family care coordination marketplace. Reflects PE appetite for care navigation assets at reset valuations.				
05	**Kaia Health**	SWORD Health	Patient Solutions	$285M	Consolidation
	SWORD acquires Kaia's AI-driven musculoskeletal therapy platform to broaden its digital MSK offering and deepen European market presence.				

KEY TAKEAWAY · 2026 YTD top deals total $3.2B in disclosed value. Roche appears twice (SAGA Diagnostics and PathAI) — signalling a deliberate diagnostics infrastructure acquisition strategy. Channel expansion and consolidation dominate the strategic rationale mix.

Source: HealthTech Alpha, June 2026

MOIC Compression at Early Stages



14.5x → 6.1x — Seed MOIC 2021 → 2025
Halved in 4 years

10.1x → 5.0x — Series A MOIC 2021 → 2025
More than halved

12.4x — Series D spike 2024
Capital concentrating at proven performers

5.2x — Series B MOIC 2025
Down from 7–8x in 2022–23

Methodology: implied MOIC = current venture valuation / round size; paper multiples only, not realized exit returns

KEY TAKEAWAY · Early-stage paper returns have collapsed, so investors now need real exits — not markups — to prove value.

Source: HealthTech Alpha, June 2026

The Consolidation Lens: M&A as a Structural Pressure Valve

Capital stress & longer hold periods

207 exits in 2025 vs declining early-stage investment since 2022. Investors with 2019–2021 vintages face extended hold periods and compressed paper multiples.

2021 vintage investors need M&A exits to convert compressed gains into DPI

Unrealised gains across 2021-vintage portfolios have compressed markedly. With the IPO window shut, M&A is the only viable route to actual DPI.

Strategic buyers identify infrastructure gaps

Health systems, pharma, and vertical software acquirers (Roper, Waystar, UHS) scan for capabilities that accelerate their roadmaps — diagnostics, AI, workflow, care delivery.

M&A pathway becomes dominant exit route

268 of 282 exits in 2025–2026 are M&A. For most ventures, there is no realistic IPO pathway. M&A is not Plan B — it is Plan A.

KEY TAKEAWAY · M&A is accelerating partly because it has to. Compressed early-stage multiples, longer hold periods, and a narrow IPO window leave most digital health ventures with one viable exit channel. Strategic buyers are the market's liquidity mechanism.

Source: HealthTech Alpha, June 2026

FOR THE USE OF THE PURCHASER ONLY | RESALE AND DISTRIBUTION PROHIBITED

Track Capital Concentration in Real Time

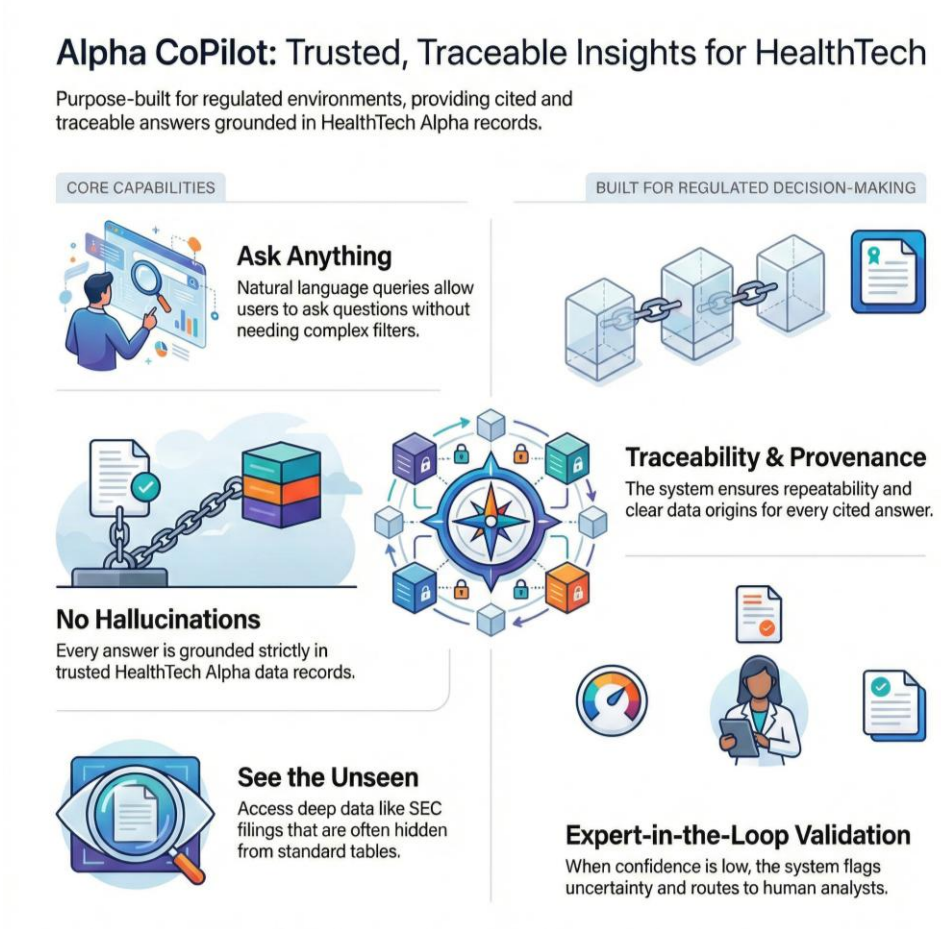
Use Alpha CoPilot - Your AI-Powered Research Assistant

Grounded exclusively in HealthTech Alpha's proprietary data and taxonomy — no generic web scraping, no hallucinations.

Compare therapeutic focus areas, funding momentum, venture maturity and evidence depth

Fast, expert-level insights

Request Access



The Neutrality Test

Roche / PathAI

A $1.05 billion acquisition that turns a neutral pathology AI platform into a Roche-owned asset — and leaves ten pharma partners with a governance decision they cannot defer.

Roche / PathAI: The Warning Shot

Deal Terms

Total consideration	**Up to $1.05B**
Upfront cash	**$750M at closing**
Milestones	**Up to $300M performance-linked**
Closing expected	**H2 2026**
Acquirer	**Roche Group (Diagnostics Div.)**
Target	**PathAI (Medical Imaging AI)**
Founded	**2016 · Boston, MA, USA**
Last funding	**Series C — $165M**
HTA Alpha Score	**60.5 / 100**

What Roche Acquires

- FDA-cleared AISight Image Management System (primary-diagnosis cleared, 2025)
- Trial-embedded algorithms across multiple biopharma sponsors
- Companion-diagnostic algorithm pipeline (co-developed since 2024)
- Annotated tissue datasets and AI training infrastructure
- 501–1,000 employees with specialist pathology AI expertise

Flatiron Precedent

Roche's 2018 Flatiron acquisition proved pharma-owned data infrastructure can remain trusted externally. PathAI is a harder test — it sits inside companion diagnostics and biomarker workflows, not merely adjacent to them.

Roche's Three Strategic Merits

1. **Vertical control** — tissue to algorithm to diagnostic
2. **Data accumulation** — compounding AI training advantage
3. **Strategic optionality** — research, development, diagnostics

KEY TAKEAWAY · Roche is not buying algorithms — it is buying a position inside the diagnostic workflows of its competitors' drug development pipelines. That is what makes this deal more consequential than its price tag suggests.

Source: HealthTech Alpha, June 2026

PathAI

Medical Diagnostics · Medical Imaging

FOUNDED
2016 · Boston, MA, USA

BUSINESS MODEL
B2B

EMPLOYEES
501–1,000

LAST FUNDING
Series C · $165M

TOTAL RAISED
≥$255M (disclosed rounds)

PHARMA PARTNERS
10 announced (pre-acquisition)

62.8
ALPHA SCORE

$1.05B
EXIT VALUE (ROCHE, 2026)

Source: HealthTech Alpha, May 2026

Why PathAI Became Strategically Indispensable

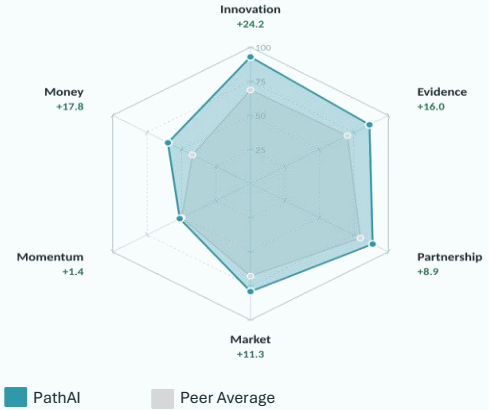
Trial-embedded algorithms across the sector: Embedded in Phase II/III biomarker programmes across 10 pharma partnerships, creating switching costs beyond licence replacement.

FDA-cleared tissue-to-diagnosis AI stack: AISight (cleared 2025) positioned PathAI as a full-stack operator across image management, algorithmic analysis, and companion diagnostics — rare in digital health.

Annotation libraries no competitor could replicate: Curated whole-slide images with expert labels gave PathAI a compounding data moat — Evidence Signal score 86.3, 23% above peer average.

A partner network that became a strategic liability: 10 partnerships — GSK, MSD, Novo Nordisk, BMS — made PathAI the connective tissue of translational pathology; Roche's acquisition converted a neutral platform into a competitor-owned asset.

HealthTech Alpha Signals vs. Peer Average



PathAI outperforms its Medical Imaging peers across five of six HealthTech Alpha signals. The Innovation index — 35% above the peer mean — reflects FDA-cleared algorithms and a proprietary tissue-analysis stack. Evidence and Money indices confirm clinical depth and investor conviction, underpinning Roche's $1.05B acquisition rationale.

Source: HealthTech Alpha, May 2026. For a description of the HealthTech Signals, see the HealthTech Alpha Analytics page.

Ten Pharma Partnerships. One Acquirer.

Pre-2019
Gilead Sciences — Exposure Risk
Active oncology/virology programmes. Potentially overlapping diagnostic pathways.

Nov 2019
MSD — Exposure Risk
Merck & Co — major oncology pipeline. Direct competitive exposure.

Jun 2021
Genentech — Acquirer Group
Genentech is within the Roche Group. Exposure is internal.

Nov 2021
Novo Nordisk — Exposure Risk
Metabolic/cardiology focus. Biomarker workflows at risk.

Apr 2022
GSK — Exposure Risk
Oncology, immunology, vaccines. Broad PathAI utilisation.

Aug 2022
Bristol Myers Squibb — Exposure Risk
Major I-O programme. Tissue/pathology AI central to BMS oncology.

Oct 2023
Roche — Acquirer Group
Now PathAI's parent company. Deal closes H2 2026.

Oct 2023
Flare Therapeutics — Nuanced
Has a separate Roche partnership. Position more nuanced than pure non-Roche exposure.

Apr 2024
EMD Serono — Exposure Risk
Merck KGaA's healthcare unit. Neurology and oncology exposure.

Nov 2024
Incendia Therapeutics — Exposure Risk
Smaller biotech. Highly dependent on PathAI's trial infrastructure.

KEY TAKEAWAY · 7 of PathAI's 10 pharma partners are outside the Roche Group. These organisations are now in a vendor relationship with a direct competitor. The governance implication cannot be resolved by legal review alone — it requires a strategic response.

Source: HealthTech Alpha, May 2026

The New M&A Risk: When Vendor Neutrality Becomes Fragile

Risk Factor	Likelihood	Impact	Explanation
Competitive data exposure	High	High	Trial data, biomarker annotations, and pathology reads processed by a Roche-owned platform may inform Roche's own competitive intelligence.
Companion diagnostic conflict	High	High	PathAI's companion diagnostic pipeline now develops inside Roche, the world's largest diagnostics company. Competing CDx development on the same platform is problematic.
Roadmap drift	Medium	High	Product development priorities may shift toward Roche's internal needs. Non-Roche features or integrations may be deprioritised over time.
Data rights and IP risk	Medium	High	Change-of-control provisions in existing contracts may not adequately protect derivative IP, model training data, or algorithmic outputs developed jointly.
Switching cost and disruption	Low	High	Active trials cannot be seamlessly migrated to alternative platforms. Switching costs for ongoing studies are high; disruption risk is real even if technically achievable.

KEY TAKEAWAY · The highest-priority risks are competitive data exposure and companion diagnostic conflict — both rated High likelihood and High impact. Legal review of existing contracts is necessary but not sufficient. A strategic governance response is required.

Source: HealthTech Alpha, May 2026

The Partner Response: Three Strategic Options

01 Accept and Fence

Renegotiate governance; strengthen controls

- Review all PathAI contracts for change-of-control rights, IP ownership, and data-use provisions
- Negotiate tighter firewalls, audit rights, and confidentiality protections before closing
- Define roadmap commitments and service-level continuity obligations in writing
- Accept continued use for active trials — migration risk is too high mid-study

Best for: Partners with active trials and high switching costs; short- to medium-term programmes

02 Renegotiate

Use acquisition as leverage for structural change

- Treat the acquisition as a change-of-control event and exercise any contractual rights
- Require Roche to establish an independent governance board for PathAI external partnerships
- Seek contractual restrictions on PathAI's use of partner data for Roche's competitive programmes
- Demand pricing protection and most-favoured-nation terms for existing partners

Best for: Partners with significant commercial leverage; long-term or multi-programme relationships

03 Dual-Source

Build independence for future programmes

- Do not migrate active trials — honour existing PathAI commitments through completion
- Qualify and pilot independent pathology AI vendors for new programmes (e.g. Proscia, Ibex Medical Analytics)
- Build internal capability or multi-vendor strategy to avoid single-source dependency
- Establish vendor assessment criteria that include acquisition-risk governance as a standard criterion

Best for: Partners with the most competitive programme overlap; organisations with procurement leverage

KEY TAKEAWAY · The right response is not panic — it is governance. Active trials cannot be disrupted. New programmes need a dual-source strategy. The broader implication: corporations partnering with digital health ventures must treat vendor acquisition risk as a standing portfolio governance discipline.

Source: HealthTech Alpha, May 2026

The System of Record for Digital Health

HEALTHTECH ALPHA
A GALEN GROWTH SOLUTION

Decision-grade intelligence — governed, traceable, board-defensible

Not a database — digital health decision infrastructure. Purpose-built ontology, point-in-time records, and Alpha CoPilot: cited, governed AI with no black-box outputs.

Point-in-time

20+ years of historical fidelity

Provenance

Entity-level sourcing on every output

Alpha CoPilot

Cited, governed AI — no black box

3 access modes

Desktop · API · Enterprise GPT (MCP)

Scout & Shortlist

Screen ventures with domain-precise, multi-signal filters.

Benchmark & Compare

Peer benchmarks on a consistent digital-health ontology.

Diligence & Defend

Traceable, board-defensible evidence with full provenance.

Monitor & Alert

Point-in-time tracking of market and portfolio shifts.

Intelligence embedded into your **decision workflows** — screening, benchmarking, diligence, and monitoring delivered where your teams already work.

Request a Trial →

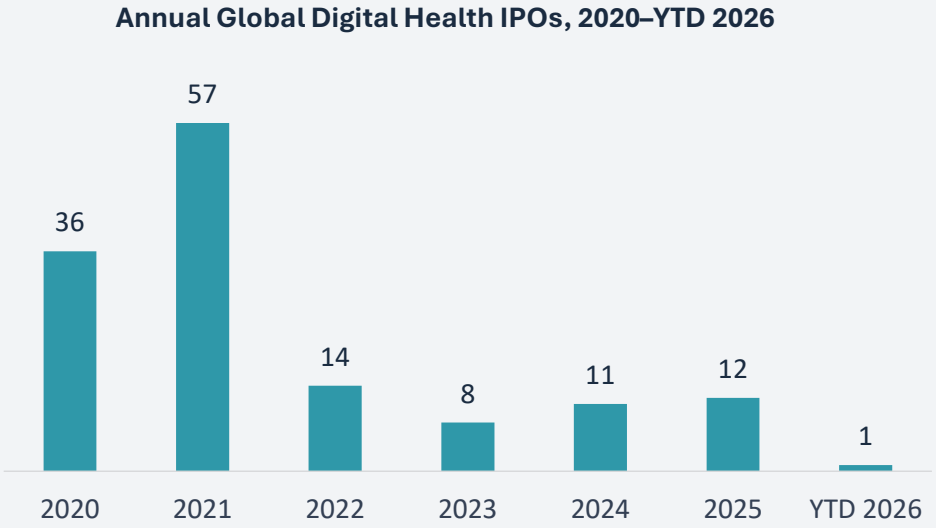
Explore the platform — galengrowth.com/healthtech-alpha

© 2026 Galen Growth

Public Markets: IPO Window Remains Closed

IPO window analysis, watchlist, and the case against SPACs

Setting the Stage: Will the IPO Window Reopen in 2026?



THE 2026 GLOBAL MARKET SIGNAL

$75B

SpaceX · Nasdaq · June 12, 2026

Beating Saudi Aramco's 2019 record · +19% on day one

After three suppressed years (2022–24), the IPO market seemed to close again in 2026. For the digital health companies in the IPO watchlist, 2026 should prove to have the most favourable listing conditions since 2020 — given the high-value IPOs catching headlines in other industries.

GLOBAL H2 2026 PIPELINE (non-digital health)

OpenAI (~$730B) · Anthropic (~$900B)
Databricks (~$134B) · Combined: $3.1T+

KEY TAKEAWAY · SpaceX's $75B listing on 12 June 2026 — the largest IPO in history — has reopened the public market window at scale. Combined with OpenAI, Anthropic and Databricks in the near-term pipeline, 2026 is shaping up as the most consequential exit year since 2021's SPAC peak.

Sources: HealthTech Alpha, Jun 2026; TechCrunch, "SpaceX IPO closes up 19%," Jun 12, 2026;

IPO Window: Available Only to the Most Mature Assets

2025–2026 YTD IPO Activity

Saluda Medical	**$3.46B**	2025	Neural stimulation for chronic pain. Strong clinical evidence.
Hinge Health	**$3.08B**	2025	Digital MSK — largest digital health IPO of 2025.
HeartFlow	**$1.65B**	2025	AI cardiac diagnostics. 10+ year evidence base.
Omada Health	**$1.48B**	2025	Digital diabetes/chronic disease. Valuation correction vs prior private round.
Generate Biomedicines	**$1.61B**	2026	Protein engineering. Only IPO in 2026 YTD.
Beta Bionics	**$462M**	2025	AI-powered insulin pump (iLet). FDA-approved device.
UniHealth (云知声)	**$413M**	2025	Chinese health AI platform. APAC listing.
Carlsmed	**$309M**	2025	AI-enabled spinal surgery planning.

IPO Readiness Criteria (2025–2026)

Scale

Revenue typically $100M+ ARR before filing. Market leadership in defined category.

Evidence

Clinical outcomes data that satisfies institutional investor diligence — not just user metrics.

Reimbursement clarity

Clear payment pathway. Medicare/Medicaid coverage or established enterprise contracts.

Margin trajectory

Gross margin improving toward SaaS-grade economics. Path to profitability visible.

Institutional readiness

Audited financials, governance, compliance, and management bench for public company requirements.

KEY TAKEAWAY · IPOs in 2025–2026 went to ventures with clinical evidence, reimbursement certainty, and $100M+ ARR. The IPO window is nearly closed — ventures that cannot demonstrate all five criteria should not expect public market access in the near term.

Source: HealthTech Alpha, June 2026

IPO Watchlist: Candidates for Public Market Readiness

These companies are actively positioning themselves with experienced leadership teams and strengthened balance sheets to withstand the volatility of the public markets.

Oura
WELLNESS

IPO Signal: Confidential S-1 filed with SEC (May 2026). Maturity Score > 90 with recent funding raised.

TOTAL FUNDING **$1.5B+**

MATURITY SCORE **92.8**

WHOOP
WELLNESS

CEO confirmed IPO is "our next step" following Series G declared as "last private round". Maturity Score > 90.

TOTAL FUNDING **$979M**

MATURITY SCORE **95.2**

Strava
WELLNESS

Confidential S-1 submitted January 2026. 113M+ users across the globe.

TOTAL FUNDING **$228M**

MATURITY SCORE **81.7**

Abridge
HEALTH MGMT SOLUTIONS

GenAI ambient documentation leader. Strong ROI narrative with Series E funding round closed in June 2026.

TOTAL FUNDING **$758M+**

MATURITY SCORE **85.4**

Virta Health
PATIENT SOLUTIONS

CEO stated IPO readiness in 2026. GLP-1 era repositioning adds value. Maturity Score > 90.

TOTAL FUNDING **$373M**

MATURITY SCORE **90.3**

Maven Clinic
TELEMEDICINE

CEO stated that an IPO is in the future - 4 C-suite hires with IPO/public-market transition experience in Jun 2025.

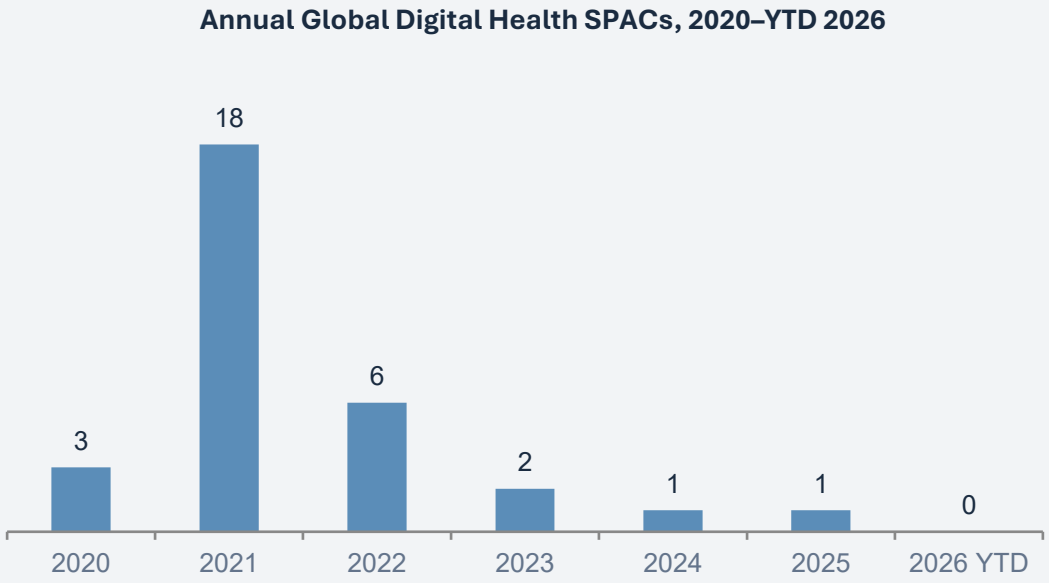
TOTAL FUNDING **$425M**

MATURITY SCORE **86.8**

KEY TAKEAWAY · With maturity scores above 90, Oura and WHOOP are closer to IPO-ready than any consumer health company since Fitbit — a window that macro conditions could open or close within 12 months.

Source: HealthTech Alpha, June 2026

SPACs: No Longer a Shortcut to the Public Markets



SPAC peak: 2021

Digital health SPACs peaked at ~18 transactions globally in 2021. Most merged companies traded down significantly post-listing.

2022–2024: rapid decline

Regulatory scrutiny, poor post-merger performance, and investor scepticism drove SPAC activity to near-zero in digital health.

2025: 1 transaction

A single SPAC transaction was recorded in 2025. This is exceptional, not representative of any recovery trend.

2026 YTD: 0 transactions

No SPAC exits recorded in 2026 YTD (to June 2026), however the Freenome SPAC is still expected to close in 2026.

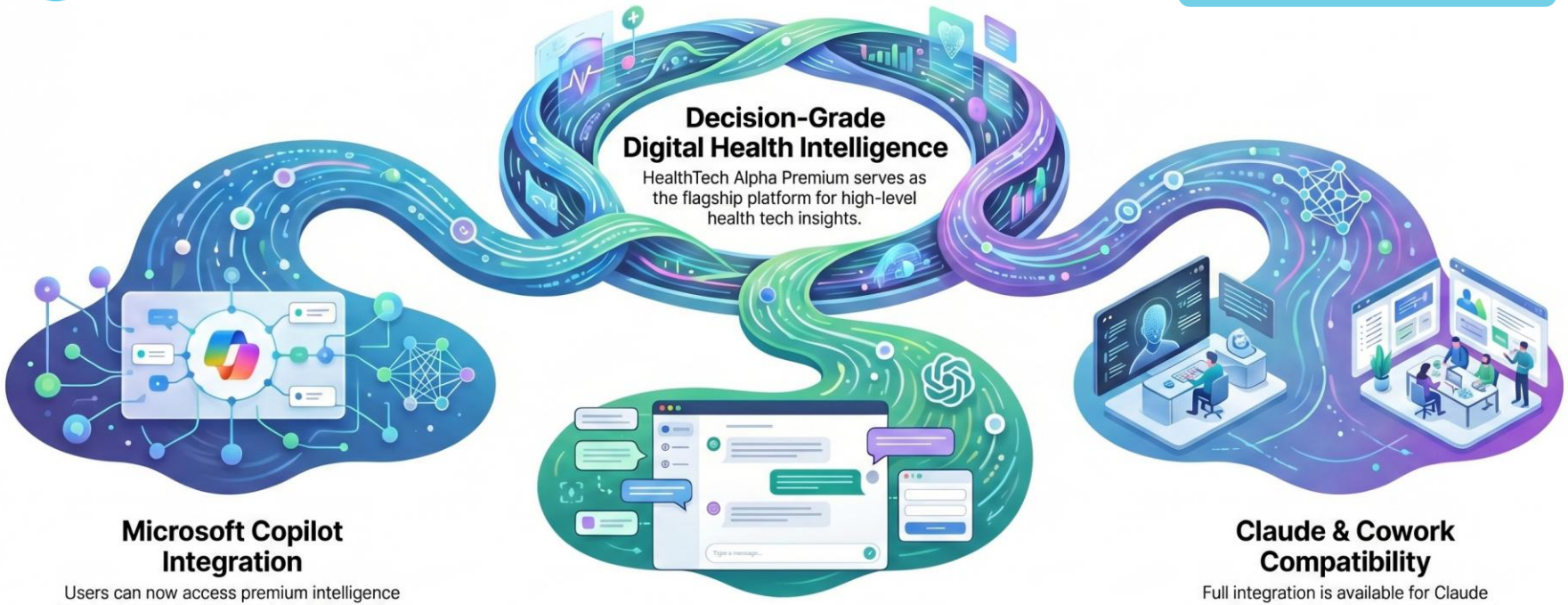
KEY TAKEAWAY · SPACs were a structural response to the 2021 market environment and have not proven to be a durable exit mechanism.

Source: HealthTech Alpha, June 2026

HealthTech Alpha Premium: Now Integrated with Leading AI Platforms

HEALTHTECH ALPHA

Get Integrated



© 2026 by Galen Growth - All rights reserved.

2026 Outlook & Implications

Forward scenarios for pharma, investors, and ventures

2026 Outlook: More Exits, but Harder Exits

Three possible scenarios

DOWNSIDE

30% *probability*

M&A exits FY26 <140 IPOs 0–2 SPACs 0

WHAT HAPPENS

- Macro / rate shock or antitrust scrutiny pauses strategic buyers
- IPO window stays fully shut; MOIC compression forces distressed, down-round exits
- Governance scrutiny on AI-diagnostics M&A intensifies

Flips if: M&A sustained < 10 / month, or a high-profile listing fails

BASE CASE

55% *most likely*

M&A exits FY26 160–185 IPOs 3–6 SPACs 0–1

WHAT HAPPENS

- Selective M&A continues at the current run-rate; buyers active in diagnostics AI, clinical workflow, care delivery
- Roche / PathAI closes in H2 and sets the governance precedent
- Time-to-exit keeps extending; corporates keep buying older, evidence-rich assets

Flips if: run-rate holds 12–15 / month and ≤ 2 marquee IPOs complete

UPSIDE

15% *probability*

M&A exits FY26 >200 IPOs 8–12 SPACs 1–3

WHAT HAPPENS

- Oura, WHOOP and Strava list and open a consumer-health IPO window
- PE sponsors chase portfolio exits; strategics race for AI assets (M&A +15–20%)
- Neutrality-protected deal structures emerge post-PathAI

Flips if: 3+ IPOs complete in H2, or M&A run-rate > 18 / month

KEY TAKEAWAY Across all three scenarios the risk is not that exits collapse — it is rising complexity around governance, neutrality, evidence and hold periods. Exits will happen. Easy exits will not.

Source: HealthTech Alpha, June 2026

What We're Watching: Five Signals & One Catalyst

#	Signal	Current reading (HTA, Jun 2026)	Watch for — and what it signals
1	Monthly M&A run-rate	~13 deals / month (74 YTD)	< 10/mo sustained → **Downside**; > 18/mo → **Upside**
2	IPO S-1 filings & completed listings	Oura & Strava filed; WHOOP signaled; 1 completed YTD	0–1 completed → **Base**; 3+ → **Upside**
3	Acquirer mix: corporate / PE vs venture	Pharma < 5%; venture-to-venture ~70–75%	Rising corporate / PE share → older, evidence-rich targets bought
4	$1B+ & disclosed deal-value flow	2026 YTD $5.55B, 11 disclosed deals; 2 deals ≥ $1B (on 2024–25 pace)	Thinning mega-deal flow → **Downside**; thickening → **Upside**
5	Early-stage MOIC (paper)	Seed 6.1x, Series A 5.0x (≈ −50% vs 2021)	Continued compression → **Downside** (distressed / down-round exits)

CATALYST TO WATCH · ROCHE / PATHAI

Expected to close H2 2026; 7 of 10 pharma partners sit outside the Roche Group. A clean close sets the governance precedent for pharma-adjacent M&A — partner exits or disputes would mark neutrality risk turning real.

KEY TAKEAWAY Most signals already read on-trend for the base-case selective grind; the swing factors are the consumer-health IPO window (Oura / WHOOP) and how cleanly Roche / PathAI closes.

Source: HealthTech Alpha, June 2026

Trusted Insights: Independent, Data-Driven & Sector-Specialist

10 YEARS | GALEN GROWTH
A Decade of Redefining Digital Health Intelligence



Platform-Driven Intelligence, Built on Unmatched Data

Platform-derived, decision-grade digital health intelligence, trusted by investors, corporates, and innovators.

Powered by HealthTech Alpha

The leading intelligence platform for Digital Healthcare Technology

No Hype. No Bias. No Anecdotes

Purely data-driven insights, ensuring objective, evidence-backed analyses.

Digital Health Experts, Not Generalists

Led by industry veterans, not 30-something analysts with little sector expertise.

Over a Decade of Digital Health

A proven track record of unmatched industry data and thought leadership.

Independent & Agenda-Free

Our insights are driven by data and expertise, not sponsorships.

Make Informed Decisions

Gain the competitive edge with **Galen Growth's trusted, unparalleled research.**

Reference Notes

FOR THE USE OF THE PURCHASER ONLY | RESALE AND DISTRIBUTION PROHIBITED

Key Information

Scope of Report

This report covers Digital Health ventures with incorporation date after 2002. The data is valid as of 01 Jun 2026.

Digital Health is defined as the intersection between healthcare and technology, and is also referred to as HealthTech. Digital Health does not include Biotech (protein research or pharmaceuticals), MedDev (devices that are mechanical and electronic in nature), neuro-stimulates, opioids and minimal-invasive instruments.
We recommend reviewing our taxonomy on the next page for further details.

Data Sourcing and Tracking

Galen Growth tracks a comprehensive inventory of key data points ranging from company demographics, funding and valuation to in-market capabilities on a continuously growing and curated list of HealthTech ventures drawn from global markets. Data is collated from primary research, public domain sources (press releases, news, public fillings), proprietary analytics and from its unique network.

The information is:

- Disclosed and undisclosed by nature
- Continuously updated with the latest data
- Curated from both direct and indirect verified sources
- Augmented with our proprietary algorithms

Each HealthTech Alpha Index and Score is calculated using proprietary algorithms and data points drawn from our carefully curated HealthTech Alpha database. We recommend reviewing the Digital Health Analytics section for further insights.

Key Terms and Definitions

BASE CURRENCY	USD
EARLY STAGE	All deals up to Series A stage
GROWTH STAGE	All deals at Series B & C stage
LATE STAGE	All deals at Series D & Beyond stage
EXIT	IPO, SPAC and M&A deals
HTA	HealthTech Alpha

Important Information

This report is provided solely for informational purposes and was prepared in good faith on the basis of public information available at the time of publication without independent verification. Numbers will be updated from to time to reflect information identified after the event.

Galen Growth does not guarantee or warrant the reliability or completeness of the data nor its usefulness in achieving any particular purposes.

Galen Growth shall not be liable for any loss, damage, cost or expense incurred by any reason because of any person's use or reliance on this report.

This report is a proprietary aggregation of publicly available and undisclosed data and shall not be forwarded or reproduced without the prior written consent of Galen Growth.

Research Inquiries

For more information about data, research and Galen Growth's proprietary algorithm contact: research@galengrowth.com for more information.

© 2026 by Galen Growth - All rights reserved.

Galen Growth's Complete Digital Health Ontology



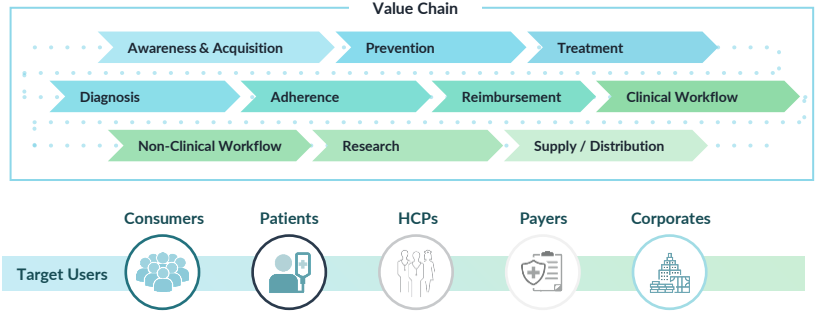
Digital Health Clusters and Categories

With 66 Digital Health categories across 18 clusters, Galen Growth's comprehensive taxonomy streamlines venture discovery and analysis.

Health Management Solutions	Health Services Search	Health InsurTech
Medical Diagnostics	Medical Education	Online Health Communities
Online Marketplace	Patient Solutions	Population Health Management
Remote Devices	Research Solutions	Clinical Trials
Telemedicine	Veterinarian	Wellness
Safety & Security	Healthcare Logistics	Others

Mapping across the value chain

Further classification of target users and value propositions



© 2026 by Galen Growth - All rights reserved.

!IBITED

Decoding Digital Health: The HealthTech Alpha Analytics Framework

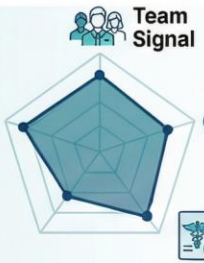


The Alpha Score
(Maturity Score)



Venture Analytics
(Current Maturity)

Strategic Signals



Venture Similarity & Valuation
Uses cosine similarity and Euclidean distance to compare ventures, alongside mark-to-market valuation estimates based on funding velocity.



Product Analytics
(Ready for Integration)

Evidence-First Assessment
Measuree clinical strength & regulatory backing for safe, effective procurement.

Product Similarity Score
Quantifies global comparison across the digital health ecosystem.

Venture Predictions
(Future Trajectory)



Venture Health Check
Dynamic assessment based on 6-month shifts in scores & signals



Funding Probability Score
Likeiihood of securing new investment within 6 months (based on runway & peer tickets)



Actionable Foresight
Spot high-potential opportunities early & make data-driven decisions at speed.

The HealthTech Alpha Edge

Purpose-Built for Digital Health
Tracks only verified ventures, excluding market noise.

Expert-Curated Data
Continuously updated by experts; no self-submitted data.

Ecosystem-Based Calibration
All scores calibrated for accurate global venture & product comparisons.

© 2026 Galen Growth | HealthTech Alpha is the Digital Health intelligence platform - All rights reserved.

About Galen Growth

The Company Behind HealthTech Alpha

Unrivalled Intelligence for a Competitive Edge:

- Actionable Market insights
- Data-Driven Decisions
- Unmatched Ecosystem Visibility

Talk to us



Deep Digital Health Ecosystem Coverage

Through HealthTech Alpha, we deliver unmatched coverage depth and breadth across the world's most innovative Digital Health ventures.



Specialist Team with Decades of Experience

Our specialist team designs, maintains, and evolves HealthTech Alpha's data, models, and analytical frameworks, ensuring continuous accuracy and relevance.

Our US, Asia and Europe offices serve our clients worldwide.

Proven Innovation Solutions

Whatever stage you are at in your innovation journey, we have a best-in-class solution to enable you to succeed. Every solution leverages our unrivalled Digital Health data.

©2026 by Galen Growth - All rights reserved.

The System of Record for Digital Health

HEALTHTECH ALPHA
A GALEN GROWTH SOLUTION

Ask complex questions. Get cited, governed answers grounded in proprietary records — no black box.

ALPHA COPILOT · FROM QUESTION TO GOVERNED ANSWER



Governed · Traceable · Board-defensible delivered into your decision workflows — Desktop · API · Enterprise GPT

Request a Trial →

Explore the platform — galengrowth.com/healthtech-alpha

© 2026 Galen Growth

FOR THE USE OF THE PURCHASER ONLY | RESALE AND DISTRIBUTION PROHIBITED

EXPLORE MORE FROM GALEN GROWTH

The Industry Go-to-Reference for Digital Health

10 YEARS | GALEN GROWTH
A Decade of Redefining Digital Health Intelligence

Decision-grade thematic research and expert Points of View — powered by HealthTech Alpha, written by Digital Health specialists, not generalist analysts.

RESEARCH LIBRARY · REPORTS

Health Management Solutions: Digital Health 2026
Market report · Latest release

Global Digital Health Funding & Key Trends 2025
Re-priced, Re-proved, Re-focused

The Power Players: Top Investors in Europe & Beyond
Investor landscape

Pharmaceutical Digital Health Innovation Index
5th Edition

Clearing the Bottleneck: Digital Innovation in Clinical Trials
Thematic research

BLOG & OP-EDS · POINTS OF VIEW

Roche acquires PathAI: pharma partners face a vendor-risk problem
Point of View · J. de Salaberry · May 2026

The Execution Decade: Clinical Trials, Pharma's 2026 R&D Bottleneck
Point of View · J. de Salaberry · May 2026

The Investable Core: Why Investors Back Health Management Solutions
Funding · Jun 2026

Carbon Health: when a $2.8bn unicorn learned clinics don't scale like software
Point of View · Feb 2026

Digital Health Funding 2025: the year capital stopped believing the hype
Funding · Jan 2026

Read it all galengrowth.com/research · galengrowth.com/blogs · Subscribe for new analysis

Powered by HealthTech Alpha — the AI-native system of record for Digital Health intelligence

©2026 by Galen Growth - All rights reserved.

Turn this report into your market strategy

Galen Growth can help you use HealthTech Alpha Premium to identify priority markets, benchmark ventures, map competitors, assess partners and build evidence-backed innovation strategies.

For investors: deal sourcing, market mapping, diligence support

For health systems: vendor discovery, evidence benchmarking, AI procurement strategy

For corporates and pharma: partnership mapping, acquisition screening, category intelligence

For ventures: competitor benchmarking, investor targeting, market positioning

Contact Us

Galen Growth Global

+41 79 610 1764

julien.desalaberry@galengrowth.com



Julien de Salaberry

Julien is the CEO and leads Galen Growth in Europe and the US, leveraging over 30 years of experience in healthcare.

Galen Growth Asia

+65 8374 8584

dario.heymann@galengrowth.com



Dario Heymann

Dario is the Chief Data & Technology Officer and leads Galen Growth in Asia Pacific.